

180088

JPRS-LAM-84-052

27 April 1984

Latin America Report

19980819 187

DTC QUALITY INSPECTED

FBIS FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

9
125
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

27 April 1984

LATIN AMERICA REPORT

CONTENTS

ENERGY ECONOMICS

BARBADOS

Briefs

NPC Expansion Plan 1

CUBA

Oil Exploration in Northwest To Continue
(GRANMA, 6 Feb 84)..... 2

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Barbados-Trinidad Air Pact Aids Caribbean Cooperation
(SUNDAY SUN, 18 Mar 84)..... 4Caribbean Bank OK's Project Loans, Technical Grants
(BARBADOS ADVOCATE, 21 Mar 84)..... 6Inter-American Bank Notes Development Loans for 1983
(TRINIDAD GUARDIAN, 27 Mar 84)..... 9

ANTIGUA AND BARBUDA

Women Seek Place as Candidates in Coming Election
(TRINIDAD GUARDIAN, 27 Mar 84)..... 10

ARGENTINA

Rouco: Payment Accord Reached To Protect U. S. Interests
(J. Iglesias Rouco; LA PRENSA, 1 Apr 84)..... 11

Former Economy Minister: Country Has Already Made Adjustments (LA PRENSA, 31 Mar 84).....	14
---	----

BARBADOS

Debate Opens on 1984-85 Estimates, Appropriations Bill (BARBADOS ADVOCATE, various dates; THE NATION, 20-22 Mar 84).....	23
--	----

- Revenue Projections
- Employment Picture
- Debt Prediction
- Opposition Criticism
- Position on Wage Talks
- Defense Programs
- DLP Views on Defense Force
- BDF Staff Increases
- 'Pioneer' Squadron
- Adams Justification on Defense
- Foreign Service Assets
- Haynes Attack on Government
- Adams Response to Haynes
- Discussion on BDF, Police
- Alternative Spending Proposals

Crime Issues in Spotlight; Personnel Increases Urged (BARBADOS ADVOCATE, various dates; THE NATION, 22 Mar 84).....	28
---	----

- Durant on 'White Collar' Crime
- Need for Port Police
- Call for War on Drugs
- Airport Security Needs
- Senator's Views

Layoffs, Employment, Wages, Workers' Rights at Issue (Various sources, various dates).....	32
---	----

- Housing Corporation Cuts
- Union Protest
- Adams on Construction Jobs
- BWU Attack on Government
- Wage Offer to Civil Servants
- Account of Government-Union Talks
- Criticism of Foreign Firms
- Agricultural Situation
- Rising Unemployment
- Call for Government Jobs Action
- Teacher Wage Demands

IMF Economic Survey Favorable, But Urges Improvements (Tony Best; SUNDAY SUN, 25 Mar 84).....	41
St John Sees Problem With Some Aspects of CBI (BARBADOS ADVOCATE, 27 Mar 84).....	43
Briefs	
Youth Group Register	45
DLP Comeback Candidate	45
BELIZE	
Text of Price's Presentation of 1984-85 Budget (Price; BELIZE SUNDAY TIMES, 25 Mar 84).....	46
UDP Calls Budget 'Disaster for Economy of Belize' (AMANDALA, 23 Mar 84).....	55
Economy Showing Signs of Recovery; Gains in Sugar Noted (BARBADOS ADVOCATE, 17 Mar 84; THE REPORTER, 25 Mar 84).....	57
Government Statistics	
U. S. Sugar Quota Increase	
UDP Divisional Conventions Select Candidates (Various sources, various dates).....	59
Report on Conventions in West	
Village Council Elections	
Fort George Selection	
UDP-Union Meeting	
UDP Shortcomings	
DISWEEK Views Mexico, Not U. S., as More Natural Ally (Editorial; DISWEEK, 23 Mar 84).....	62
Briefs	
Colombian Trade Official	64
BRAZIL	
Sweden Seeks Increased Bilateral Trade (JORNAL DO BRASIL, 3 Apr 84).....	65
Industrial Production, Employment Rise Viewed With Caution (VEJA, 28 Mar 84).....	66
Rio Grande do Sul Harvest Expected To Increase 12 Percent (JORNAL DO BRASIL, 19 Mar 84).....	70

PCB Head Urges Opposition To Unite To Negotiate With Government (JORNAL DO BRASIL, 26 Mar 84).....	72
Briefs	
First AMX Flight	74
Dutch Delegation Arrives	74
CHILE	
Daily on Need To Improve Foreign Service (Editorial; LA TERCERA DE LA HORA, 31 Mar 84).....	75
Briefs	
Oil Spill in Valparaiso	76
Disturbances, Casualties in Santiago	76
State Bank President	76
Trade Balance Surplus	76
CUBA	
Legal Sanctions Against Receipt of Illicit Goods Reviewed Gonzalez Mendoza; GRANMA, 7 Feb 84).....	77
Briefs	
Salt Mine Sets Record	79
DOMINICA	
Relocation of Squatters Part of Broad Housing Plan (BARBADOS ADVOCATE, 17 Mar 84).....	80
DOMINICAN REPUBLIC	
Spanish Company Signs Mineral Exploration Agreement (Tulio Navarrete; LISTIN DIARIO, 6 Mar 84).....	81
Concern for Liquidity Following Bank Deposits Drop (Jose Romero; LISTIN DIARIO, 9 Mar 84).....	83
Briefs	
Coffee Export Quota Increase	85
GRENADA	
Briefs	
Drop in Spice Prices	86

GUYANA

- Burnham Assesses Nation's Financial, Economic Flight
(BARBADOS ADVOCATE, 16 Mar 84)..... 87
- Court Rejects Unions' Bid To Stay New TUC Authority
(BARBADOS ADVOCATE, 20 Mar 84)..... 90

MEXICO

- Oaxaca Archbishop Discusses Chance of Social Upheaval
in South
(EXCELSIOR, 22, 23 Feb 84)..... 91
- Nayarit Governor Denies Having CTM Leadership Aspirations
(Armando Sepulveda; EXCELSIOR, 25 Feb 84)..... 100
- STUNAM Leader Accuses PSUM of Manipulative Behavior
(Maria Esther Ibarra; PROCESO, No 382,
27 Feb 84)..... 102
- Mexico State: Background To Difficult PRI Elections Reviewed
(Guillermo C. Zetina; EXCELSIOR, 18 Mar 84)..... 107
- PSUM Analysis of Electoral Scene in Mexico State Presented
(ASI ES, No 99, 26 Mar 84)..... 110
- PMT Head Identifies Moratorium as Only Way To Handle Debt
(Heberto Castillo; PROCESO, No 386, Mar 84)..... 113

PERU

- Briefs
Senderists Kill 18 Persons 116

TRINIDAD AND TOBAGO

- Police Warn of Foreign Arms, Drugs Smugglers
(TRINIDAD GUARDIAN, 27 Mar 84)..... 117

BRIEFS

NPC EXPANSION PLAN--Some Bds\$5 million will be spent on the National Petroleum Corporation's (NPC) extension programme over the next 18 months, according to an official at the Corporation. Mr Aaron Truss, Chairman of the NPC Board of Directors said on Thursday that any concentration for expansion of the Corporation's natural gas service would take place in the St Michael and Christ Church parishes since the majority of the population of Barbados resides in these two parishes. According to Mr Truss, 56 percent of the total population in Barbados lived in St Michael, while Christ Church was the next most densely populated Parish and these areas were the most feasible to the NPC's expansion programme because the economic returns in these areas were much greater. Mr Truss pointed out that the parishes of St Andrew and St Philip were being considered to have their natural gas service extended, but the hilly terrain in St Andrew had made it difficult for workmen to lay the pipelines. He said there were presently some 500 Barbadians registered with the NPC who lived in areas where gas mains were placed, but these people could not afford the cost of the installation. Mr Truss further stated that the NPC was trying to achieve, by negotiations with the Barbados National Bank (BNB), and hopefully under the Home Improvement Act, to bring these people into the area of the Homeowners Negotiation Act with the BNB. [Text] [Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 2]

CSO: 3298/674

OIL EXPLORATION IN NORTHWEST TO CONTINUE

Havana GRANMA in Spanish 6 Feb 84 p 2

[Excerpts] Marcos Portal, substitute member of the Party Central Committee and minister of basic industry, announced an increase in the geological surveys in the northern section of the country's western provinces with a view to thoroughly determine their petroleum capabilities, at the same time that he summarized the results of the emulation check-up of the petroleum drilling and extraction enterprises of the western and central sections.

The check-up was conducted by Luis Alvarez de la Nuez and Esteban Lazo, first secretaries of the party in the provinces of Havana and Matanzas, respectively, and regular and substitute members of the Central Committee; and Ramon Cardona, member of the Central Committee and secretary general of the Union of Chemical, Mining and Energy Industries.

Portal underscored the cooperation of the USSR in the geological survey activities that will be carried out, and the modern drilling rigs and other machinery with which those enterprises will be equipped. He pointed out the possibilities open to this sector of our economy, though he warned that they are small compared to the needs of the country.

Nonetheless, he said that the foreign exchange contribution attributed to our petroleum workers is considerable, and he praised the task performed last year when they surpassed their projections and established extraction and drilling records.

He announced the forthcoming start of construction of the petroleum workers' school facilities, which will be located near the site of the Western Petroleum Drilling and Extraction Enterprise in Guanabo. With regard to the institution, he said that 2,000 workers must be trained for that sector by using students from the Youth Labor Army and other sources, who will benefit from the experience of veteran petroleum workers and Soviet instructors.

He also mentioned the construction projects of petroleum pipelines that will link Cardenas and Matanzas to the supertanker base, run from the north of Matanzas to the new Cienfuegos refinery, and link that zone to the Nico Lopez Refinery in the city of Havana.

He stressed that besides extracting the fuel, it is important that petroleum workers take care of the environment as in other countries, including the Soviet Union. He mentioned the project to build a system to process gases which are being currently vented into the atmosphere at our petroleum facilities, and which constitute a source of energy.

The western enterprise was the winner in the 1983 emulation check-up, and the central enterprise prevailed in the special areas of spare parts rebuilding and manufacturing and energy conservation.

8414

CSO: 3248/511

BARBADOS-TRINIDAD AIR PACT AIDS CARIBBEAN COOPERATION

Bridgetown SUNDAY SUN in English 18 Mar 84 p 1

[Text] Trinidad-Barbados relations could improve considerably in a matter of weeks when Caribbean Airways (CA), the national airline of Barbados, successfully finalises its negotiations with Trinidad and Tobago-owned British West Indian Airways (BWIA) to service the London/Barbados/London route.

In an exclusive SUNDAY SUN interview, Mr Herbie Yearwood, chairman of Caribbean Airways, said: "The award of the contract to BWIA would be a definite boost to stronger Caribbean unity and a move which could foster better relations between Barbados and Trinidad.

Three airlines had tendered for the route--British Caledonian Airways (BCal), the present holder; Philippine Airways and BWIA.

Said Mr Yearwood: "Philippine Airways was never in the running. It was a straight fight between BCal and BWIA. BCal quoted a higher fee than BWIA. For that matter, BCal's fee this time was much greater than its last one."

In February 1983 Caribbean Airways announced that it had signed another contract since BCal came into the picture following the collapse of Laker Airways.

BCal promised then to assist CA in the promotion of its service in provincial Britain and other European points.

With reference to the BCal's exciting contract, Mr Yearwood said: "The airline has given a very satisfactory service" and added that the move to open negotiations with BWIA rather than BCal was "purely a matter of economics."

He explained that both quotes were connected with the "wet lease" arrangement, whereby the company not only provides the aircraft but the crew as well--as against a "dry lease" arrangement when a company only supplied the aircraft.

Speaking of the tourist industry in general and the Britain and European markets in particular, Mr Yearwood said: "for the coming season it looks as though things might be a lot better."

Asked what would be the advantages or disadvantages of having BWIA service the route, Mr Yearwood said: "We are primarily interested in the Caribbean Airways routes, but I suppose one of the benefits would be the connections which BWIA can offer."

CSO: 3298/672

CARIBBEAN BANK OK'S PROJECT LOANS, TECHNICAL GRANTS

Bridgetown BARBADOS ADVOCATE in English 21 Mar 84 p 11

[Text] The Directors of the Barbados-based Caribbean Development Bank (CDB), at a meeting last Thursday approved over US\$6 million in project loans and technical assistance grants.

The bulk of the financing--a \$2 million loan and a \$2.7 million dollar grant--is going to the regional island hopping airline, LIAT, to help it implement a two-phased programme for re-equipping and modernising its operations.

These funds are being provided by the CDB through a special loan arrangement with the European Economic Community (EEC).

The rest of the money will go into public and private sector projects in St Lucia, Trinidad and Tobago and the Turks and Caicos Islands.

The grant and loan approvals bring to nearly US\$470 million the cumulative total of money approved by the CDB since it started operations in 1970, a bank statement said.

The DCB directors also approved a technical assistance grant for the final stages of a comprehensive regional forestry sector study.

Apart from deciding on matters of financing, the directors considered the draft annual report and related financial statements which are to be submitted to the fourteenth annual meeting of CDB Board of Governors in Jamaica next May 16 and 17.

Phase one of the LIAT programme will involve building and workshop expansion, mechanical equipment, tools, radio and navigation equipment, aircraft handling equipment, office equipment, technical assistance and training.

Phase two will provide for the replacement of LIAT's current fleet--mainly 48 seater Avro aircraft--with modern, more fuel-efficient aircraft of similar size. The company is also expected to increase the number of its fleet.

The \$2 million loan is the third by CDB to LIAT since the airline was refinanced by regional governments in 1974 following the liquidation of a British company which had owned and managed the airline.

The private sector loans are going towards exploitation of marine resources by a company in Trinidad and Tobago and highly specialised agriculture by a company in St Lucia.

In the first case, Trintrawl Limited, a limited liability company registered in Trinidad and Tobago and owned by nationals of that country, is being given a loan of \$1.1 million to assist with the establishment of a shrimping enterprise. The CDB funds will go mainly for the purchase of these trawlers.

Trintrawl's vessels will be operating in the southern Atlantic under concessions negotiated by the government of Trinidad and Tobago and by arrangement, Trintrawl will utilise facilities of the state-owned National Fisheries Limited for the marketing and processing of part of the catch.

In the second case, exotic plants are at the heart of the operations of Windward Islands Tropicals Limited for which CDB approved a loan of \$70 400 to follow one for \$185 000 in 1980 when the project began.

The company is a joint venture between St Lucian and British entrepreneurs and is concentrating on the production of such exotic foliage plants as crotons and palms on about 12.5 hectares of land in southern St Lucia.

The marketing thrust has been in the United Kingdom and Western Europe.

With the financing, in addition to enlarging its on-farm facilities and output of the preferred product lines, the company is refining its marketing strategy and expanding its distribution channels in the U.K. and in Europe.

The \$200 000 approved for the Turks and Caicos Islands is the second loan to that country for onlending to students who wish to pursue higher education but do not have requisite financing.

The first loan of \$100 000 was approved by CDB in October 1981 and has already been fully committed.

Such students loans which over the years have proved to be of considerable assistance to the less developed countries, go towards covering the cost of tuition, books and equipment, accommodation and other approved expenditure of persons wishing to pursue eligible courses identified by their government as priorities in terms of its strategies for stimulating economic growth.

As is the case with the student loan, the technical assistance grant to the forestry sector is of deep significance the future development of the region, the CDB statement said.

With the funds approved, an internationally reputable consultant will be recruited to review the final country reports and project profiles resulting from a recently-concluded regional forestry sector study which was funded by CDB.

The consultant will be required to prepare a paper for CDB on the scope for use of the Caribbean's forestry resource as part of an overall strategy and plan for the countries involved and the conservation measures which need to be instituted.

The consultant will also have to identify potential projects (of both national and regional dimension) in as many countries as possible within the study area, including the various factors critical to their feasibility and implementation.

The CDB directors are scheduled to hold their next meeting in Barbados on April 12.

CSO: 3298/672

INTER-AMERICAN BANK NOTES DEVELOPMENT LOANS FOR 1983

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 83 p 4

[Excerpt] Inter-American Bank lent a record \$3,045 (U.S.) million in support of Latin America's development in 1983.

In many respects, the year was one of the most decisive in the 24-year history of the bank, the institution said in its annual report.

During the year, the bank lent a record \$3,045 million in support of Latin America's development, put into effect a \$15.7 billion increase in its resources and took a number of measures designed to help countries cope with the serious financial situation which, during the past three years, has increasingly hobbled the region's economic and social progress.

The bank also made continued progress in co-ordinating international development assistance for the countries of the Central American isthmus and in efforts to establish an Inter-American Investment Corporation.

These and other highlights of the activities were outlined in the report. It was presented by Antonio Ortiz Mena, president of the bank, at the opening session of the 25th annual meeting of the bank's board of governors which began in Punta Del Este, Uruguay.

The record volume of loans approved by the bank in 1983 was 11 percent higher than the \$2,744 million approved in 1982.

At the end of 1983, the bank's lending totalled 25,035 million, an amount which is helping to finance economic and social development projects whose total cost exceeds \$91 billion.

CSO: 3298/672

WOMEN SEEK PLACE AS CANDIDATES IN COMING ELECTION

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 84 p 15

[Text] St John's, Sun, (Cana)--Women in Antigua and Barbuda are demanding to be represented among the candidates being put forward for general elections expected to be called next month.

The Co-ordinating Council of Women, which groups all of Antigua's major female groups, has adopted a resolution to this effect which has been circulated to all four political parties expected to contest the poll.

The resolution complained that "no recognition was given to women in the recent 1984 Throne Speech of the Government of Antigua and Barbuda."

"The women in Antigua and Barbuda have been making increased contributions to the social, economic and political development of the country and have managed to attract significant attention and funding to boost the image of the economy at national, regional and international levels," the resolution added.

None of the political parties--the ruling Antigua Labour Party (ALP), the Progressive Labour Movement (PLM), the United People's Movement (UPM) and the Antigua-Caribbean Liberation Movement (ACLM) has yet named candidates for the election.

During the 1980 general elections, one party, the PLM, fielded two female candidates, Hyacinth Walter, wife of former Premier George Walter, and Katherine Edwards, a bank employee.

Unsuccessful

Both were unsuccessful in their bids to become members of the House of Representatives.

In the present 17-member Parliament, there is one woman, Mildred Bailey, who serves as a member of the Senate representing the ALP.

All of Antigua and Barbuda's political parties are into feverish country side campaigning.

CSO: 3298/673

ROUCO: PAYMENT ACCORD REACHED TO PROTECT U.S. INTERESTS

Buenos Aires LA PRENSA in Spanish 1 Apr 84 pp 1, 4

[Article by J. Iglesias Rouco: "Model of Dependence"]

[Excerpt] Alfonsinism harangues against foreign "dependence." However, the agreement it just signed with the United States for payment of the interest due on the foreign debt--along with Brazil, Mexico, Colombia and Venezuela--constitutes not only a perfect model of political and diplomatic dependence but also submission to stigmatization or self-stigmatization in the name of the country. In addition to accepting it passively as if there were no other alternative, Buenos Aires has agreed "motu proprio" with the other party and even enthusiastically encouraged an explicit expression of mistrust of Argentine ethical ability--no longer merely its financial ability--to honor its commitments. In effect, the mentioned Latin American countries participate in this agreement as reinsurance for the United States in case Buenos Aires decides in a few weeks not to recognize the loan or conditions of the loan that Washington now makes to Argentina to cover past obligations, a nominal loan. In other words, Mr Alfonsin's government proclaims: 1) that Washington has the right to openly question the good faith of Buenos Aires and even has reasons to do so; and 2) that our country is not in the position to guarantee its word with anything, not even its name, territory or a national entity. What is more, the word of Mexico, Brazil, Colombia and Venezuela is worth more than the Argentine word since the money our Latin American "brothers" have provided for the United States--the United States, not Argentina--is also nominal. Apparently, it does not matter to our government that this completely contradicts the theories behind its stand on debt refinancing held up to 2 days ago. According to these, Argentina had to obtain better conditions than Mexico, Brazil, Venezuela and Colombia since its basic economic situation and commercial prospects were solidier than those of the other countries which are now involved in the matter as "backers."

Few times in contemporary history has there been such an extreme example of humiliation, not even in states submerged in the catastrophe of dissolution or partition after long wars. The most serious part is that Mr Alfonsin's government plans to add to this betrayal of national dignity the moral and intellectual deception of its own people by making them believe it is consolidating the principle of Latin American "solidarity" this way. It is as if Brazil, Mexico, Colombia and Venezuela were endorsing Argentine interests in this "affaire,"

not those of the United States as actually occurs. Then there is the negotiation itself and the international political precedent set in Latin America.

Larger Pressure Group

As to the former, it suffices to keep in mind that, as of today, not only will the United States and the rest of the "central" powers be pressuring Buenos Aires to accept the IMF conditions but also its "brothers" on the continent. (Remember the recent statements by French Minister Quiles that Argentina must take responsibility for pending accounts before thinking about a system of integral cooperation with France.) Obviously, these IMF conditions cannot be better or easier than those already agreed on with the IMF for the respective cases of the four guarantors. Maybe this circumstance helps Mr Grinspun justify himself and politically justify--facing growing internal demands--the recessive and even "monetarist" program that he has already started. (The higher interest rates are only the first chapter.) Certainly, the creditor banks have expanded their maneuverability in Argentina to Brazil, Mexico, Colombia and Venezuela and, therefore, are in the position to obtain additional advantages.

As Mr Grinspun notes, one point on the LIBOR [London Inter-Bank Offered Rate] can represent \$300 million or \$400 million. Let us forget the terms, the probable intervention of creditors in exports and the bigger financial markets those bankers are about to obtain here under the ruse of bank reorganization. How can Argentina not pay one or two points more than those countries that have received express recognition as its guardians? Who looks like the "riskiest" country now, Argentina or the four that reinsure the United States facing the Argentine "risk"?

New Political Model

As to the political precedent, it is clear that the "central powers" have imposed themselves not only on one state but on the entire region through this agreement. Many realities and possibilities have been validated through a plan that responds to a single reality and a single circumstantially precarious possibility: the Argentine case. This is all done with a single slant--that is, a single relationship of dependence on the "center" which pulls the rest along. Transfer the "model" to the strategic and military sphere and look at the result. Can an economic "solution" of this nature avoid such a projection? Once the "model" is applied in Latin America, an area that embodies many traits of the Third World, who will keep the "mold" from also being imposed on Africa and Asia? Some years ago, the USSR applied it in Comecon and the rest of its zone of influence, including Cuba, based on a structure of industrial and commercial "compensations" (equivalent to the multiple financial insurance now articulated in the West through the Argentine agreement). The USSR later built its political-military hegemonic system on this. With the instrument already in use, why wouldn't the Western "central powers" follow the same road? Everyone knows that internal pluralism is one thing and external pluralism is very different, especially when the "periphery" rejects interior democracy and resists the rules of international behavior that democratic culture demands.

In short, it is very likely that Alfonsinism which harangues so loudly against "imperialism" is acting basically--based precisely on this first debt agreement--like the great Latin American shepherd of the regional flock which it wants to lead toward the "center" of Western power. After his speech on human rights in Geneva, the government felt it was inappropriate for Mr Caputo to accompany Mr Borrás on a visit to the military units in the south. Some ungrateful reaction by the officers corps toward this "leftist" minister was perhaps feared. Surely these precautions must be almost incomprehensible to the bankers of New York because the truth seems to be--at least, this is stated in international financial circles--that Caputo and Grinspun, together with some bankers and officials of international organisms, were the true authors of this financial setup, not Washington. Perhaps the "Yankees" themselves find it hard to believe their eyes.

7717

CSO: 3348/345

FORMER ECONOMY MINISTER: COUNTRY HAS ALREADY MADE ADJUSTMENTS

Buenos Aires LA PRENSA in Spanish 31 Mar 84 p 6

[Text] Dr Lorenzo J. Sigaut, former minister of economy, made a public statement concerning the Argentine foreign debt. The text of the statement follows:

"There are those, outside and inside the country, who want us to make difficult adjustments and sacrifices as a 'sine qua non' condition for negotiating with our foreign creditors.

"They forget and want to make us forget the external adjustment that the entire nation has already made.

"There are those, outside and inside the country, who want us to 'stomp' our feet. They forget and want to make us forget the inexorable consequences on all national (internal and external) affairs derived from that attitude.

"The major importance of negotiations on the foreign debt leads me to make a few reflections that might be positive contributions for the concrete evaluation of this topic.

"For obvious reasons, I don't want to take the analysis back (and sterilize this contribution) to the causes of the needlessly massive foreign debt that led to the current refinancing operation. I do this without ignoring the thoughtlessness and greed with which the creditor banks proceeded to make easy and tempting negotiations (that always end up being difficult and expensive).

"Our country has brought a negotiating position presented in terms of the present and the future to the discussion table (which has many boards).

"Leaving aside some controversial circumstantial aspects, explained officially or unofficially by the authorities, it is obvious that they are discussing the conditions (term and cost) of the refinancing. Therefore, it is very appropriate to add and validate past contributions, what has already been done by the entire country. This means reinforcing the bases of support for the Argentine position ethically, politically, economically and financially.

"What does the past tell us, keeping in mind that every external adjustment (with its well-known internal repercussions) is reflected in the results of foreign trade?

"The past tells us that Argentina has more than carried out its process of external adjustment.

"In 1980 our foreign trade had a \$2.5 billion deficit.

"In 1982 it had a surplus balance of \$2.3 billion.

"In 1983 the surplus increased to \$3.3 billion.

"In 1984 the surplus might reach \$3.8 billion.

"Has this phenomenal change been free?

"Of course not. There was a high cost.

"Consequently, those government authorities who take a prudent but firm negotiating position had to rest all their arguments on this basic fact that demonstrates that external adjustments--with their internal implications--had already been made. They had to do this before any other major debtor country did.

"This discussion from a weaker position--for various reasons--was firmly maintained in September 1981 with U.S. Treasury Secretary Donald Regan, the executive director of the IMF and many of the top officials of private creditor banks.

"All this which has been briefly described explains the price already paid through external adjustments. It does not imply that we will not improve through intelligence and rationality the profitability of the efforts we have made, are making and will make to confront a massive debt with more resources.

"It does imply that internally we show solidarity and uphold the Argentine position to improve the conditions, terms and costs of the current refinancing operation as much as possible and to increase our present response capability for emergency commitments through intelligence and without ridiculous sacrifices. In that way, we will strengthen ourselves in our own eyes and those of the world in the objective to consolidate the nation.

"It also seems basic and fundamental to me that we quickly close the fiscal gap through the resources of those who have more and simultaneously begin a vigorous long-term action through public spending. For its many implications, this is unquestionably the opportune moment to finalize such an essential internal adjustment.

"We must all join in morally to that effort to balance the budget with economic equity. Then Argentina will have the basic inherent conditions not only externally but also internally that will help us quickly emerge with dignity from the very difficult current situation."

7717

CSO: 3348/345

DEBATE OPENS ON 1984-85 ESTIMATES, APPROPRIATIONS BILL

Revenue Projections

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 1

[Text] In his overview of the 1984-85 Estimates of Revenue and Expenditure, Prime Minister Tom Adams yesterday pointed to the return to a situation of relatively heavy Government finances.

But he warned against complacency and assuming that "all was well in the Garden of Eden and that no serpent has ever entered therein."

Mr Adams said that the fact that there was a current account surplus would be as nought when one considered that Government was currently engaged in negotiations for salary increases of public servants.

He said these increases would absorb all the current account surplus.

The Finance Minister noted that what made this year's estimates unusual was that Government was budgeting for an excess of current revenue over current expenditure.

This excess amounted to almost \$31 million.

Mr Adams said that normally Government has budgeted for an excess of expenditure over revenue and he put down any current account surplus to the "buoyancy of the economic trends."

Mr Adams said the estimates showed record levels in estimated Government revenue and an expenditure for the forthcoming year.

Revenue for the forthcoming year is estimated at almost \$600 million and expenditure at \$565,392 million. Current capital expenditure is estimated at \$181 500 000.

"It is a fact that, except for specified areas in Barbados, there appears to have been a marked degree of economic recovery within the country and certainly within the country and certainly there has been a considerable recovery in Government revenue," Mr Adams told the House.

He noted that the 1983-84 financial year to come to an end in two weeks' time had recovered the first current account surplus since 1980-81. The projected surplus on current account is \$27 389 799.

Current revenue during the year has risen 13.2 percent while current expenditure has risen six percent.

Mr Adams added that total revenue during the current year was expected to be \$555.8 million--\$47 million more than estimated a year ago. Current expenditure has been put at \$529 million--\$30 1/2 million more than estimated a year ago.

The Prime Minister said Government has had to put the brakes on economic expansion.

He, however, pointed to some improvement in the balance of payments position.

At the end of last year, the Central Bank's total external assets were \$220 million.

Exports rose by 22 percent and imports by 19.8 percent.

Mr Adams noted that the current account deficit was less than one percent of the Gross Domestic Product but this was covered by inflows of foreign capital.

He said there was no startling surge in foreign reserves during 1983, adding that Government has been spending the past three months trying to pay back a great number of short-term liabilities which were due.

He said this has been achieved "with no difficulty whatsoever."

Foreign reserves at March 16 stood at \$266.6 million.

Mr Adams said the level of foreign debt was still very modest and counselled all those "who have to come to conclusions about economic conditions against scary tactics in respect of the national debt."

The 1984-85 Estimates Debate continues today.

Employment Picture

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 1

[Text] The fall in direct Government expenditure on productive investment had had its effect on employment, according to Prime Minister and Minister of Finance Tom Adams.

Piloting the Appropriation Bill in the House of Assembly yesterday, Mr Adams said the number of people employed by Government has not shown any particular expansion in the last seven years, but according to him, neither has it shown any particular contraction.

The average unemployment rate rose to 15 percent last year and Mr Adams said these levels were last experienced in 1977.

The Finance Minister suggested that newspapers estimated that unemployment could be measured exclusively in terms of lay-offs by Government.

He said that people in the area of construction in Government occupied positions where their productivity was extremely low.

He felt that their release to the public sector would, in the long run, be an addition to employment in Barbados.

"Although Government has to carry some of the responsibility for unemployment the same policies are responsible for the average rate of inflation halving during 1983," Mr Adams said.

The rate of inflation was now five percent and he pointed out that this compared favourably with rates of inflation in other More Developed Countries in the Caribbean.

Mr Adams said that although unemployment has reached the kind of levels of 1977 there was no evidence that incomes in Barbados have fallen overall.

Mr Adams said the total assessable incomes in 1982 were \$742 828 552, based on the returns of 58 585 people. He noted that 40 000 people did not make returns.

Mr Adams added that the distribution of incomes continued to be one of the most satisfactory aspects of our social life.

Debt Prediction

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 1

[Text]

Opposition spokesman on Finance Dr. Richie Haynes has said that by the end of the next financial year Barbados' national debt would have surpassed the \$1 billion mark.

He charged that in the coming year the Government will be moving to raise \$596 million and intended to borrow a further \$180 million.

Dr. Haynes' comments came as he gave his party's reply to the Appropriation Bill in the House of Assembly yesterday.

Dr. Haynes told the House that on top of the borrowings Government had collected three times as much money from taxpayers as did the previous Democratic Labour Party (DLP) Government which went out of office in 1976.

Furthermore, he said he was shocked but not surprised to find that the country will be paying \$106 million on debt charges and that during the past seven years it had paid \$576 million in debt service.

He said that at no time of DLP rule did the debt service exceed \$21.5

million and emphasised too that up to March 1976 the national debt had stood at \$211 million.

He stated that this year Government intends to collect \$127 million from income tax, there will be significant increases in property taxes, will be seeking to collect \$99 million through consumption taxes, a further \$99 million from import duties and \$28.5 million in stamp duties.

He wanted to know how was it that despite the

heavy borrowing the country's unemployment rate had reached its present level. He stated that Barbados should not be in the situation it was at the moment.

The St. Michael South Central MP said that every year Government was telling the country's taxpayers it was reducing tax burdens when in fact tax yields were being increased.

He took issue with what he said was the \$24 million being spent on defence and security, and

contended that when this amount was added to that of the charges on debts it amounted to more than what was collected from income tax.

Dr. Haynes stated, that to add insult to injury, the Appropriation Bill had shown a reduction in the spending on Health Services. He went on to criticise conditions at the Queen Elizabeth Hospital (QEH) saying that institution was in chaos.

He accused Government of attempting to borrow money to set up a separate casualty.

Opposition Criticism

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 2

[Text]

Opposition spokesman on Finance Dr. Richie Haynes, yesterday summed up the Appropriation Bill as based on "the principle to collect as much and spend as little."

Speaking in the House of Assembly Dr. Haynes said the Bill did not address itself to problems of job losses, prices, transportation, housing, tourism, and the agricultural and industrial sectors.

Dr. Haynes said that one would have thought that in a Bill like that provision would have been made to improve the situation regarding housing in the country since this area would assist not only in providing houses but would create employment.

He is of the opinion that something should be done to improve these sectors.

Dr. Haynes said the sugar industry was bankrupt, that job losses in industry were appalling and warned that unless there was improved management structure at the Transport Board, there would continue to be losses at that state-owned enterprise.

He emphasised this would be so even if bus fares were pushed to \$10 and the subsidies kept increasing.

He also attacked the state of roads in the country stating that Government had spent millions upon millions on new roads while allowing existing roads to run into a state of disrepair.

Dr. Haynes said that as

the country approached an end to its Standby Arrangement with the International Monetary Fund (IMF) lay-offs in the public sector "were galloping in the last few months." The Bill he said has joint IMF-World Bank co-operation.

He charged there was mismanagement and corruption in the Statutory Boards, a fact which he said had been ventilated at the last annual conference of the Barbados Labour Party (BLP).

Dr. Haynes said that in the coming year there will be a deliberate attempt to maintain the level of taxation.

The St. Michael South MP said Government was totally disabled, and morally and mentally bankrupt, and unable to tell the truth.

Position on Wage Talks

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 10

[Text]

Government is definitely re-thinking its position on salary negotiations for public servants.

Government had originally offered a five per cent increase in wages for public servants in 1984-1985 and a further five per cent in 1985-1986.

But Prime Minister and Minister of Finance, Tom Adams, said yesterday that they did not think that in 1984-1985 it would be wise to take the same view as they did in 1982-1983.

Mr. Adams said they have heard what persons in the private sector who already earned substantial incomes have received.

He questioned whether it would be reasonable to expect public servants to go through yet another period of restraint.

Mr. Adams noted that the salaries of judges have not been raised since 1980.

"Is it reasonable to ask professional persons in the technical service to earn less than half of the salaries which prevail in the private sector?" the Prime Minister questioned.

He told the House that these were the factors which have informed Government's approach to negotiations.

Mr. Adams said that old aged pensions will be increased along with salaries.

Defense Programs

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 10

[Text]

Government's expenditure on the Defence Force in the 1984-1985 Estimates is projected to rise from \$12 million to \$16 million, and there are plans to employ more people therein.

Prime Minister, Tom Adams, said the Coast Guard section of the Defence Force has suffered very severely. He said there were not enough people to carry out programmes of manning the ships which Government has bought.

Mr. Adams stressed that the vessels were fundamental to the operations of the Coast Guard.

He noted that it took \$20 000 for one of the ships, the Trident, to sail to Antigua with stops in St. Lucia and St. Vincent. He said that vessel was the only one of a medium size not adequate for a cruise around the region.

Mr. Adams was of the view that

opportunities in the Defence Force so far exceeded all lay-offs in Government. He said there was clear net gain in employment.

He felt there was no point having a Defence Force with so few people in it when these people could not be trained for the duties they were apt to be called upon to do.

"We need to contemplate some general increase in numbers for the sake of the efficiency of the Force," Mr. Adams said.

He said Government was taking on as many people in the Coast Guard service as were being laid off at the Sanitation Service Authority. But he admitted that this was not the way Government was looking at it.

He said Government was taking on as many people as were necessary for an efficiently-manned Defence Force.

DLP Views on Defense Force

Bridgetown BARBADOS ADVOCATE in English 21 Mar 84 p 1

[Text] Opposition Leader Mr Errol Barrow, yesterday accused the Barbados Labour Party Government of keeping Parliament in the dark over the Barbados Defence Force.

According to Mr Barrow: "No where is there any mention of the Defence Force in the 1984-85 estimates of revenue and expenditure. "We are completely in the dark concerning the Defence Force...that is a military secret."

The Opposition Leader noted that all over the world the number of various armies and forces were disclosed but this was not the case in Barbados.

Mr Barrow also referred to an earlier statement he made in August last year in which he said that stretchers and bandages were being brought in for the Defence Force but only recently he had the opportunity to read in England, a ship's manifest which showed a consignment of cargo arriving in Barbados and listed as "unspecified cargo."

He also stated that the Government had been trying to purchase a ship to bring supplies into the country for the Barbados Defence Force. This was denied by the Prime Minister Tom Adams who said he knew nothing about it and had never heard it before.

Mr Barrow contended too, that the Royal Barbados Police Force had only been increased by 117 men and said that was nothing the Government should brag about when the increase in crime was considered.

He felt there was a growing emphasis on militarism in the country to the detriment of the Police Force which was being deflated in its importance.

BDF Staff Increases

Bridgetown THE NATION in English 21 Mar 84 p 1

[Text]

PRIME MINISTER and Minister of Defence and Security, Tom Adams, announced plans in the House of Assembly, yesterday, to strengthen the staff structure of the Barbados Defence Force.

He said that they were aiming to increase the BDF staff by 11 officers, 21 Non-Commissioned Officers (NCO's) and 60 privates.

Mr. Adams said there were six warrant officers in the British Army who were coming to the end of their engagement and they were given offers to take up commissions for eight years as short service officers.

They had declined to take up commissions in the British Army and would take them up with the BDF instead, Mr. Adams said.

He added that the BDF was short of officers and there was a need to have experienced officers who could be promoted to

fill the appropriate ranks in the command structure.

Although there was a shortage of officers, he said, the Grenada operation revealed that there were exceptionally dedicated officers within the ranks of the BDF.

He said that a plan drawn by one of the BDF officers and considered appropriate for military operation in Grenada, did not differ in any material particulars from that used by the Americans.

Mr. Adams added that the intelligence appreciation of the BDF and the Regional Security Forces was in his view equal to some of the ground appreciations which the Americans had made in advance.

The appreciation of the situation relating to the seizure of Pearls Airport was also, in his view, superior.

'Pioneer' Squadron

Bridgetown THE NATION in English 21 Mar 84 p 1

[Text]

THE Barbados Defence Force (BDF) will soon set up a pioneer squadron.

Explaining this new move to the House of Assembly yesterday, Prime Minister and Minister of Defence and Security, Mr. Tom Adams, said that young persons whose educational qualifications were not now sufficient for recruitment into the BDF, would be recruited.

The squadron, he said, would be more for youth employment than for recruitment as soldiers.

In addition to being brought up to standard with their education, the young people would assist in some aspects of the administration and community work of the BDF, Mr. Adams said.

If the pioneer squadron was successful in the small way that it had been envisaged, Mr. Adams added, it might be extended for employment opportunities for more youths in the future.

Mr. Adams said that if the pioneers wished to go on to the Defence Force and they met the requirements at the end of their service as pioneers, they could do so, or return to civilian life with improved skills after their training.

Mr. Adams, who is also chairman of the Defence Board, added that the BDF had been given responsibility for the National Youth Training Scheme which should go into operation this year at the St. Lucy camp of the BDF.

Money, he said, had been voted for this on the capital account of the Estimates, and some element of the current vote would, of course, be absorbed by instructors and other facilities used for training.

He said that the BDF would lose some of its training ground at the St. Lucy camp to accommodate the National Youth Training Scheme, and they would have to look for alternative arrangements.

Mr. Adams hinted that the pioneer squadron might be involved in the physical expansion of the Pierhead in Bridgetown. He said that the Government was now looking at the plans and some reclamation work was envisaged south-east of the Pierhead and the back of Lower Bay Street.

Since they had within the ranks of the BDF an officer who was the engineering adviser to the Ministry of Finance and Planning, Mr. Adams said this officer would be able to do a great deal of his own planning and drawing and construction work as well.

Adams Justification on Defense

Bridgetown THE NATION in English 22 Mar 84 p 14

[Text]

PRIME Minister Tom Adams told the House of Assembly last Tuesday night how he was faced with the invasion plot by international gun-runner, Sidney Burnett-Alleyne, some seven years ago.

Mr. Adams said that he was on the verandah of his residence with the Chief of Staff of the Defence Force and the Commissioner of Police, examining the plans for the invasion, and the weapons list.

The men involved in the plot had been intercepted off Martinique.

Mr. Adams said that if the 260 men had come ashore at Bottom Bay, St. Philip, Barbadians might very well have faced an unpleasant episode.

The Prime Minister, who is also Minister of Defence and Security, recalled that 30 people gave much trouble in Dominica, and said that Sidney Burnett-Alleyne, with the help of those 260 people, could have done much more mischief.

Mr. Adams said that Burnett-Alleyne was to carry out a coup

in which he was going to put into power a government of both parties.

Even if that was regarded as frivolous, Mr. Adams said, the forces which Burnett-Alleyne had were a most disruptive element.

Mr. Adams was speaking during debate on the 1984-85 Estimates relating to defence and security. He said that the Defence Force was a necessary result of the disturbed state of the world and the Caribbean since 1976.

"And that," he said, "was why we had to abandon our manifesto pledge, and that was for good and sufficient reason."

He said that the Caribbean Defence Force was currently under study by a capable staff officer who was on loan.

"It is not envisaged that, as presently conceived, the Caribbean Defence Force would need any increased expenditure from Barbados for a number of years," Mr. Adams said.

Opposition spokesman on

defence and security, Mr. Erskine Sandiford, recalled the history of the Democratic Labour Party's stand on a defence force.

He said that when they formed the Government they considered the matter of defence and security of this country as a concomitant of the independence of Barbados, and they left proposals for the establishment of a Defence Force when they were defeated at the polls.

Mr. Sandiford said that the present Government had changed its position on a defence force because of its wrong diagnosis of the situation facing the country.

"They have run a double somersault," he said.

But we have changed nothing and we are still committed to that," Mr. Sandiford added.

He asked: "Can a party so wrong on these matters be competent to speak with such authority on matters of defence and security in this country?"

Foreign Service Assets

Bridgetown THE NATION in English 20 Mar 84 p 11

[Text]

BARBADOS finished last year with some \$220 million in foreign reserves assets in the Central Bank — enough money to take care of three months of imports.

According to Prime Minister, Mr. Tom Adams, the situation improved to \$266.6 million at March 16, but warned that three months' imports was no comfortable position to be in because it placed the country on a "knife's edge" with little provision for emergencies.

The minister of finance also expressed some pleasure in the performance of the industrial sector, pointing out that while tourism and sugar production had declined, output in the manufacturing sector had risen by 15 percent. He revealed too, that activity in the construction

sector had dropped by some 25 percent.

Mr. Adams said there had been no startling surge in foreign reserves during 1983, but Government had still been able to settle some of the payments which were due on short-term loans.

"We are even making arrangements to pay back money owed to Trinidad and Tobago," Mr. Adams said.

On the question of the island's debt situation, Prime Minister Adams said that total debt at the end of last week was \$857 million, with the local component accounting for \$509.3 million and the external component \$348.3 million.

Haynes Attack on Government

Bridgetown THE NATION in English 20 Mar 84 p 11

[Text]

THE Barbados Government, in the view of Shadow Minister of Finance, Dr. Richie Haynes, is not only crippled, but "is totally disabled, and morally and mentally bankrupt."

Dr. Haynes, chief spokesman on finance for the Opposition, speaking first for his side during debate on the 1984-85 Estimates, added that indeed Government was unable to tell the truth and only the truth on any particular matter facing the nation.

He said that Government, in the introduction of the Appropriation Bill, had reflected in

terms of the allocation of its resources, a total surrender of its sovereignty.

Dr. Haynes charged that the political directorate had so depressed the public service through interference with the functioning of the institutional framework of the public sector, that the people of Barbados today are more depressed than at any time in the island's history.

He accused the Government of not being prepared to tell the country the truth about everything that was being done in relation to public affairs.

Adams Response to Haynes

Bridgetown THE NATION in English 21 Mar 84 p 15

[Text]

PRIME MINISTER, Tom Adams, last Monday night in the House of Assembly dismissed the speeches by Opposition members on the second reading of the Appropriation Bill, as "actually nothing to reply to".

Mr. Adams, who was winding up the debate on the second reading of the bill before the House went into a head-by-head examination of the 1984-85 Estimates, and regretted that Opposition Leader, Mr. Errol Barrow, did not make a contribution to the bill at that stage.

The Prime Minister, who began his reply at 7:50 p.m., said the Opposition Leader had done the House a "great disservice by not making a second reading speech on behalf of that side (the Opposition)".

He said he had always looked forward to the contributions of Mr. Barrow at this time because "he is at his best on the Estimates". (The Opposition Leader was not in his seat during Mr. Adams' reply).

Instead, Mr. Adams said, they had a number

of allegations from the Member for St. Michael South Central, Dr. Richie Haynes.

The Prime Minister said Dr. Haynes' speech contained the same ingredients International Monetary Fund (IMF) remarks about no money and unemployment.

Those things, said Mr. Adams, did not apply to Barbados. No wonder, he said, that in a recent interview on Voice of Barbados (VOB) the presenter of the **Point At Issue** programme had to tell Dr. Haynes that he did not recognise the country he was talking about.

And Mr. Adams said about Dr. Haynes' speech on the Appropriation Bill: "He is simply not talking about Barbados at all."

Prime Minister Adams said that in the face of statistics on declared personal earnings to the Inland Revenue Department; and in the face of construction going on in this country even in this time of recession, he wanted to know whether Dr. Haynes could be speaking about Barbados.

Mr. Adams went on to list other things going on in the country: 40 000 Barbadians going abroad every year, some to Caribbean islands and others to the United States; every weekend, the Commissioner of Inland Revenue taking in \$15 000-plus at the coney island, and \$600 000 a week was sold in **Let's Go To The Races** tickets in this country.

He asked whether those were poor suffering people whose standard of living showed a decline during the regime of the

Barbados Labour Party (BLP).

He further asked whether in this country of poor suffering people, motor car owners had gone from 20 000 to 40 000, and 72 000 people were renting telephones. He also pointed out that in boutiques, dresses were bought for \$150 and \$250.

"What can you say about the speech such as we have had to listen to"? Mr. Adams asked.

There were obviously pockets of poverty in Barbados, he added, as there were all over the world.

He said the Welfare Department used to look after 11 000 people, but there were no more than 5 000 to 6 000 adults now.

There were still, he said, some people who lived in broken down houses, but some were social cases. What some people needed, he added, was social education so that they could make the best of the facilities available to them.

Mr. Adams said old people of this country enjoyed a minimum pension of \$32 a week plus, where there are actual cases of hardship, food stamps, and payment for utilities.

He added that the question of the payment of the electricity for old people never occupied the minds of the DLP when it was in office.

Barbados, Mr. Adams said, was a very united country in many ways.

"We feel the same way about many things. The two major political parties have no major ideological differences; they approach the same social problems from the same standpoint," he said.

Discussion on BDF, Police

Bridgetown BARBADOS ADVOCATE in English 21 Mar 84 p 12

[Text] Prime Minister Tom Adams has accused the Opposition Democratic Labour Party of trying to create dissension between the Royal Barbados Police Force and the Defence Force.

He was at the time contributing to the debate on Estimates of expenditure and revenue for the police to cover the upcoming financial year and which forms part of government's overall Appropriation Bill for 1984-85 now being discussed in the House of Assembly.

Mr Adams, also Minister of Finance stated that in 1976-77 the figure for defence stood at \$1 425 184 while that for the police stood at \$8 180 690 for the same period. In 1984 the figure being asked is \$14 284 713 for the Defence Force while \$21 695 576 is being requested for the police.

The figures showed, according to Mr Adams, that the increase being asked for the Defence Force was less than that being asked for the Royal Barbados Police Force--some \$12 859 529 for defence as opposed to \$13 676 886 for the police.

The Finance Minister was at the time responding to Opposition charges that government was spending more money on the Defence Force than on the police. He also said that some 258 people had been added to the police force when the Establishment records were taken into account and these included a 40 percent increase in gazetted officers.

The Prime Minister, who also holds responsibility for defence and security noted that the Police Force had not been starved of training opportunities and said that the government provided a better opportunity now for younger officers to move up the ranks than before.

With respect to the Defence Force, Mr Adams said that the budget had been increased partly because there was a need to encourage Barbadians overseas to come back home and serve in the Defence Force and this in some cases necessitated buying them out of the British Army.

The post lunch debate on the police was sparked off by a number of questions from Deputy Opposition Leader, Mr Erskine Sandiford, who wanted to know what requests had been made by the police to the Estimates Committee and what increases had been requested and refused.

At the beginning of his contribution Mr Sandiford congratulated the Police Force on the good work it was doing but noted there was still considerable criticism about wrong-doing by some officers of the force.

He noted there should be proper procedures to ensure that when accusations are made adequate and impartial machinery was in place to ensure that not only justice is done but seen to be done.

He then called for the setting up of some independent machinery to look into dissatisfaction which might still remain and persist after police departmental investigation.

Minister of Legal Affairs, Mr Louis Tull, who holds responsibility for the Police explained that prior to last year the police instituted prosecutions in misdemeanours and minor offences by police officers but then the Director of Public Prosecution brought such prosecutions..."so there is something new...the Director of Public Prosecution now brings those prosecutions giving you that external element, that independent element," he stated.

On the question of increases proposed by the police, Mr Tull said that to disclose the substance of the Estimates Committee discussions would be to disclose confidential matters which the Opposition member (Mr Sandiford) knew would be improper.

Mr Tull, however, stated that one of the areas requested by the police was provision for a computer which was disallowed until a proper study had been done by the police on the needs of the force so that Government could then purchase the proper computer to perform the total functions required.

The Attorney Genral also spoke of the improvements for the the police and pointed to the increase in vehicles, the increase in manpower, and an increase in finance to provide more tools for its crime prevention.

In his contribution to the debate, Opposition member Mr Brandford Taitt recalled that on Monday the Commissioner of Police had alluded to white collar crime becoming the fastest rising crime being perpetrated in Barbados and called on the government to put more money at the disposal of the police so that it can effectively fight this type of crime increase.

The Opposition member spoke too about high-level prostitution which he said was being conducted by "high people in the society" and about "whole containers being stolen from the port"... "they re high level people involved in crime in this country not little boys from Carrington's Village," Mr Taitt charged.

House Leader, Mr Lionel Craig, immediately challenged the Opposition member to hand over any information he had in his possession to the relevant authorities and said that after the Opposition Democratic Labour Party had treated the police so shabbily they were now pretending to be their protectors.

Alternative Spending Proposals

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 10

[Text]

GOVERNMENT should consider spending \$25 million on the promotion of Barbados' tourist industry overseas and aim at 500 000 tourists visiting Barbados annually.

This call was made yesterday in the Senate by Independent Senator David Seale during his contribution to its first day of debate on the 1984-85 Estimates.

Senator Seale said it was not "meaningful" for Government to allocate just over \$12 million to the Board of Tourism, an increase of some \$1 million from last year.

He stated that tourism was the only means this year for the Government to raise enough revenue to cover the cost of its capital works programme.

He pointed out that significant sums of money had been allocated in the 1984-85 Estimates for capital works such as new buildings and highways, but while these would be helpful towards the development of the island's economy over the long term, in the short term there was need for the generation of revenue in other areas.

Senator Seale said the Government, through its indication that it would be collecting \$26 million in Corporation Taxes this financial year, compared with the \$20 million of last year, seemed to be thinking that the brunt of its tax raising efforts could be placed on the private sector.

"I can only classify this Estimate as being optimistic—optimistic that Government is expecting to get more corporation taxes out of the private sector after two years of recession," he declared.

Senator Seale added that the present 48 per cent Corporation Tax had to be considered as one of the highest in the world.

He said that the Government had to realise that tourism was the only quick hope for it to raise much needed revenue, provide badly needed jobs and therefore to place the island on a better footing with the other islands competing for tourist dollars, and it should have considered spending at least \$25 million on promotion this year. Most of this should be aimed at television advertising in the United States, he said.

"We don't need any more breakfast seminars and a few people running around trying to promote the island, we need television advertising," Senator Seale said.

He declared that if local plantations continued to emphasise the growing of sugar, the island would soon have another Transport Board because of the continual subsidies which would have to be granted to the estates.

Senator Seale said that all the local sugar industry had to look forward to was "an act of God ruining the European sugar beet" industry every seven years.

"Sugar is going, going and soon it will be gone," the independent Senator said, pointing out that other sweeteners were rapidly gaining ascendancy and had already toppled sugar cane from the position of supremacy it once had.

"The former Prime Minister might yet see his wish come true when he declared he didn't want to see another cane blade," Senator Seale said.

CRIME ISSUES IN SPOTLIGHT; PERSONNEL INCREASES URGED

Durant on 'White Collar' Crime

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 1

[Text] Much of the criminal activity at airports and seaports is now associated with "white collar crime," according to Police Commissioner Orville Durant.

Mr Durant said that this "dangerous development" was another social disease becoming rampant on a worldwide basis, "attacking and eroding the very foundations of our institutions."

"The principal feature of such activity is the ability of the white collar criminal to unscrupulously manipulate the system so as to amass wealth at the expense of defenceless consumers," Mr Durant told the opening yesterday of a seminar on port security and safety.

He said this type of criminal activity was characterised by undesirable trends reflected in increased smuggling, fraudulent transactions, bribery and corruption.

"Port officials are particularly vulnerable to involvement in these crimes and an efficient port security system must be prepared to tackle these problems resolutely and with dedication," he said.

Mr Durant also pointed to the uncontrolled and unlawful importation and trafficking of drugs.

He said this was one of the most, if not the most, difficult problems facing our airport and seaport authorities.

The Police Commissioner called for the combined and co-ordinated resources of the Coast Guard, Immigration, Customs, Port Security, the police and the public in developing a system of port security capable of detecting shipments of narcotic drugs and "exposing those evil monsters in our society who continue to prey on the vulnerability of our youth."

Need for Port Police

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 10

[Text] Barbados must think in terms of developing a Port Police Force since port security has evolved into a speciality requiring a cadre of trained men and women completely devoted to the study of it.

This has been stated by Minister of Transport and Works, Mr Vic Johnson, in a welcome address at the official opening of a seminar on port security and safety yesterday.

Mr Johnson's address was read by Mr Harry Niblock, Deputy Chairman of the Barbados Port Authority, as the Minister could not be present.

Mr Johnson said, however, that on achieving the goal of having its own police system, there would continue to be the need for a good working relationship between the Royal Barbados Police Force and the Port Police, since the jurisdiction of the Port Police would not extend beyond the precincts of the port.

Mr Johnson said his ministry has just received the report of a study undertaken on behalf of the Port Authority by Mr Eric Ellen, Director of the International Maritime Bureau and a renowned expert in the area of port security.

"If we were to attract ship owners, traders and other persons engaged in shipping, we must be able to offer them a high level of safety and security within our port," Mr Johnson said.

Call for War on Drugs

Bridgetown BARBADOS ADVOCATE in English 21 Mar 84 p 12

[Text] Opposition member and shadow Minister of Finance, Dr Richie Haynes has charged that the drug problem in Barbados has now reached international proportions and has called for the setting up of a full fledged drug squad to combat the crime.

Speaking on the current Estimates of Expenditure and Revenue for 1984-85, and more specifically that relating to the Royal Barbados Police Force, Dr Haynes felt that more money should be allocated to the force to carry out its work. Under the estimates some \$21.6 million is being allocated under the head dealing with the police.

The Opposition member noted that the Commissioner of Police should be allowed more discretionary spending power to deal with the drug problem, the perpetrators of which he said were right here in Barbados.

Recognising that the setting up of a full fledged drug squad was a dangerous area and that many people did not recognise the seriousness of the dangers

faced by police officers in the execution of their duties in this respect, Dr Haynes opted not to deal too deeply with the matter.

According to him, however, the Police Force should be able to offer proper protection for the police and their families in their fight against this type of crime.

Dr Haynes also lamented Government's decision to remove the Immigration Department from under the control of the Police.

Airport Security Needs

Bridgetown THE NATION in English 22 Mar 84 p 14

[Text] Security at the Grantley Adams International Airport is to be strengthened.

Prime Minister and Minister of Defence and Security Tom Adams, told the House of Assembly Tuesday night during debate on the 1984-85 Estimates, that more security guards would be employed at the airport.

He was speaking on the Estimates for defence and security. He outlined plans for improving the efficiency and staff structure of the Barbados Defence Force.

About 90 people would be recruited for the BDF, including 22 Barbadians who are senior officers in the British Army, Mr Adams explained.

He said that Barbados had a small Defence Force which could not aspire to the size of a proper army. He added that the BDF was, more or less, an under strength regiment.

Mr Adams said that when the security at the airport was strengthened, it was hoped that part of the training for the Defence Force would be at Paragon, Christ Church, when the National Youth Training Scheme begins at the St Lucy camp of the BDF.

He said the whole question of security at the airport had been considered and security would be upgraded generally.

The number of security guards would be increased and they might take over some of the functions of the Customs Guard service. And the Customs Guard people would be absorbed into the airport guard service, he said.

On the question of immigration officers, he said they had been able to attract university graduates to four posts.

Senator's Views

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 10

[Text] Independent Senator David Seale said yesterday that there was a large number of Guyanese "criminals" in Barbados.

Speaking during the debate in the Senate on the 1984-85 Estimates, on the subject of crime in Barbados, Senator Seale said that in the same way that Fidel Castro of Cuba had exported large numbers of Cuban criminals to the United States, President Forbes Burnham of Guyana was doing the same thing to Barbados.

"A large number of his criminals are in Barbados, many of them are walking our streets every day, many of them can be considered to be nothing but walking one-armed bandits," the Independent Senator declared.

On the question of white collar crime among Barbadians, a matter which had been raised earlier during the Debate, Senator Seale said he entirely agreed that this had become a serious problem for the entire business community and Government.

"White collar crime has become a cancer in Barbados. I can only state that Barbados is becoming a nation of thieves," he said.

Senator Seale said that because of the upsurge in criminal activity it was now high time that Government carried out an extensive refurbishing of Central Police Station, District "A" and the Courts.

"Central Police Station is a filthy place for everybody, the police, the public and even criminals," he stated. "We have to do something about it, especially since the decision has been made not to build a new Supreme Court for economic reasons."

Senator Seale added: "We need the help of the police, we need to give them good working conditions."

Turning to the subject of unemployment, Senator Seale said that Government was claiming it had managed to keep the employment level at about 15 percent since it came to power.

However, he pointed out that in 1977 the workforce was 80 000 while in 1984 the workforce had risen to 110 000 persons.

Fifteen percent of 110 000 is higher than 15 percent of 80 000 and it should be obvious to everyone that more people can't get work today than in 1977, and this has been a large contributor to many of today's social problems, Senator Seale said.

CSO: 3298/677

LAYOFFS, EMPLOYMENT, WAGES, WORKERS' RIGHTS AT ISSUE

Housing Corporation Cuts

Bridgetown THE WEEKEND NATION in English 16-17 Mar 84 p 1

[Text] Just over 100 workers employed by the National Housing Corporation (NHC) at various housing estates across the island have been laid off with effect from today.

A source at the corporation, when asked of the reported layoffs, told THE WEEKEND NATION that it was not accurate to say that the number was over 200, but rather that just over 100 had been sent home with effect from today and another group, number not yet finalised, could be following shortly.

This corroborated earlier reports that over 200 dismissal notices had been prepared, but only 120 delivered to the workers. Discussion, according to the source, will be held in the near future to decide the future of the other workers.

He pointed out that at the moment the NHC had only one project under construction--St Cecilia on Passage Road--and it was not possible for all these workers to be absorbed on this site.

In addition, he added, when some of the other sites were first closed, some of the workers had been redeployed in areas which were affected by the current layoffs.

Those workers given their walking papers yesterday included cleaning and maintenance persons who looked after the upkeep of the hundreds of housing units owned by the Government.

"What we have been doing in terms of these layoffs is to send home workers on a "last-in first-out" system, but we have also taken into consideration reports from the supervisors at the various sites.

"We do not like or look forward to laying off workers, but, under the circumstances, what can we do? We have only one project going, money is short and we have come to the end of the financial year," he stated.

Shedding Tears

Yesterday, when a WEEKEND NATION team visited the Haynesville Housing Area in St James, after the news of the lay-offs had taken effect, a number of workers were seen openly shedding tears in a shop.

One of the workers, who asked that she be not identified, stated: "I can't understand this thing. I have just bought a house and owe the bank \$7 000. I have children to support and have been working here for six years. Do you think this fair?"

Other workers also made no effort to hide their feelings about the situation and, in fact, one of the workers fainted as she told of her plight and had to be taken home by a WEEKEND NATION team.

Union Protest

Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 1

[Text] Traditional universities and colleges must become more responsive to the wider population if they are to meet the educational needs of the entire community.

This view was expressed by Dr Richard Dressner, Dean of Continuing Education at the New York State University in Albany, during his keynote address at last Thursday night's ceremony for graduates from the University of the West Indies (UWI) Extra Mural Department's Basic Journalism course.

The 20-week course, which was part of the UWI's continuing education programme, provided basic journalism training for 21 students, 20 of whom received certificates of completion from Mrs Courtney Blackman at the ceremony.

Dr Dressner stressed that the traditional universities should make educational opportunities available to a wider range of people and public institutions in particular ought to "embrace a larger role for themselves."

He noted that unless this effort was achieved, other organisations would soon provide opportunities where the educational gaps existed. He said that in the United States a number of private businesses had already begun to offer educational opportunities.

Adams on Construction Jobs

Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 1

[Excerpt] Prime Minister Tom Adams has allayed the fears of construction workers that they might be unemployed with the completion of the new General Post Office in August.

Mr Adams said yesterday that far from people being out of jobs, there may be a shortage of labour later this year when construction and renovation projects planned by Government get going.

He was speaking after a tour of the new Post Office building which is still under construction at Cheapside, the City. He was accompanied by members of Cabinet including the Minister under whose portfolio the Post Office falls, Senator Nigel Barrow.

The Prime Minister said he was "quite satisfied" with the progress of the building to date. The Government-financed project which is now costing \$16 million, \$3 million more than the original estimate, was plagued with setbacks during the first two years of construction.

BWU Attack on Government

Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 1

[Text] The Barbados Workers Union (BWU) has accused Government of inflicting severe economic and social violence on the wage earners of this country by the routes of lay-offs and redundancy.

It warned that job insecurity was one of the gravest threats being faced by public sector employees especially those in statutory corporations and charged that Government had succeeded in creating gloom and uncertainty among workers by way of its employment policy.

The BWU has also emphasised that the sporadic outbreaks of physical violence and petty theft bore no reflection on the competence of the police but rather indicated the disillusionment caused by insecurity and unemployment.

The BWU's comments came in the wake of the latest batch of workers to be sent home, these being the 100 workers from the National Housing Corporation (NHC).

There have been savage cuts in the workforce at the Barbados Marketing Corporation (BMC), and public Baths while threats of redundancies at the Transport Board, the National Conservation Commission, the Tractor Scheme of the Agricultural Development Corporation (ADC), the Barbados Water Authority and School Meals, among others.

According to the BWU: "The union must again warn Government and the private enterprise that severe unemployment which will result from these huge lay-offs coupled with closures and limits set on the work week, will lead to serious trauma in the family life of Barbados and set the lead to a dangerous and distressing future."

The union accused Government of having demonstrated a stark lack of humanity and sensitivity in its policy relating to lay-offs and redundancies over the past two years.

"While the Government has been mouthing of its success in its fiscal and economic policies, in the face of dissimilar reports from the industrial world, and has used smoke screens such as the Grenada issue, it has been inflicting severe economic and social violence on the wage earners of this country by the routes of redundancy and lay-offs.

"The BWU had long ago cautioned the Government that it had to set the lead in a vibrant employment policy, a pattern that could be adopted by the private sector," the union said.

It called on Government to produce statistics on the number of workers laid off or severed from the Government service and to tell the community if such statistics did not indicate a threat to the social and economic life of the country.

The Union suggested to Government that severance payment must be used as a cushion for severed workers and not be misused by either Government or the private sector, or used as an excuse to send home workers with a view to trimming the workforce.

"At best unemployment is a serious threat in Barbados, and we must tread slowly in introducing technology that will displace workers.

"The union again calls for more discussion between the union and the employers--Government and private sector--before changes, such as mass redundancies, are instituted at the workplace with negative effect on the livelihood of workers," the BWU said.

Wage Offer to Civil Servants

Bridgetown THE WEEKEND NATION in English 23-24 Mar 84 p 1

[Text]

THE Barbados Government is now offering a 12.5 percent salary increase for civil servants — two and a half percent more than its original proposal.

This was disclosed yesterday by an official of the National Union of Public Workers (NUPW), who told the WEEKEND NATION that the proposed increase to be spread over two years would be "across-the-board", but had still not met the NUPW's proposal. He said it would, however, "form the basis for further discussion".

He went on: "The Government had proposed a ten-percent increase (to be spread over two years), which we (NUPW) rejected, and subsequently, and at another meeting, a further two-and-a-half percent increase, only for the first year, was proposed.

"However, that proposal was done orally, and we were told that the Chief Establishments Officer would deliver to us a written letter which would confirm that two-and-a-half percent increase. No letter has yet been sent."

The source added that there had not been any discussion concerning the most recent increase, but volunteered, "some members of the union are not in favour with any across-the-board increase".

"26 PERCENT ADEQUATE"

According to him, a salary increase of some 26 percent would be adequate for the lower income workers, while a 16 percent salary increase for the higher paid workers, would also be satisfactory. "taking into consideration the bad break which we had in 1982, and 1983".

The source said there had been a two-and-a-half percent increase in 1982 and a \$25 increase in 1983.

The union member also expressed concern at the tardiness of discussions between the Government and the union, which he said ought to start during early January. If they had, he said, "precise figures could be quoted by officials in the Government, instead of just off-hand figures", as the Estimates and national budget are considered.

Asked about the ten percent increase in salary, the irate source then corrected: "Not a ten-percent increase, but a five-percent increase each of the two years, which when worked out, would add up to much less than ten percent over two years."

Account of Government-Union Talks

Bridgetown THE WEEKEND NATION in English 23-24 Mar 84 p 1

[Text] Prime Minister Tom Adams on March 7 held informal discussions with representatives of the National Union of Public Workers (NUPW) on a number of matters relating to the terms and conditions of the officers employed in the Public Service, according to a Government Information Service (GIS) release issued yesterday. The release stated the two sides had jointly released the following:

--On the question of six instead of 21 uncertified sick days a year, a policy which has been proposed in line with their private sector counterparts, the union voiced concern about the financial and other implications this could have for workers who would have to visit a doctor in order to obtain a certificate. The Prime Minister explained that under the National Health Service such certificates would be obtained free of charge and would therefore impose no additional financial burden on Government employees. The proposed change to the sick leave arrangement is still being negotiated.

--Mr Adams and the NUPW agreed that all densely populated Government offices should and would be given rest room facilities. Government Headquarters, the Treasury Building, the National Insurance Building, the Grantley Adams Airport, Marine House, the Jemmotts Lane complex and the Bridgetown Port were the locations mentioned.

--The National Union of Public Workers called for a revision of car loans and travelling allowances rates, last revised in July 1982. Both sides agreed that a study of garage repair rates and spare parts costs should be instituted while considering a unit increase for car loans. Mr Adams also agreed that representation for revision of the travelling rates be included in the upcoming salary negotiations.

--Mr Adams said he would reconsider the policy of remuneration to officers in acting posts. The union felt that the 60-day time span before remuneration became effective was too long.

--The union felt study leave should be made more easily available to established officers pursuing degree courses, while the Prime Minister stated that this proposal would certainly be considered in the case of those pursuing a BSc (Bachelor of Science) in accountancy. The union also sought the reintroduction of four weeks' study leave for officers sitting final exams, claiming that applications for such leave had been denied during the last two years. Mr Adams promised to investigate their claims.

--On lay-offs, Mr Adams explained that with the completion of Government housing projects at St Cecilia in the City, Lammings in St Joseph and Maynards in St Peter, a number of construction workers at the National Housing Corporation would have to be laid off, but with the implementation of several major projects later in the year most of these workers would be re-employed.

Similarly, at the National Conservation Commission when landscaping at Heywoods was completed a number of workers would have been laid off but, as in the case of a number of workers recently laid off by the Sanitation Department, following the closure of the public baths, the Prime Minister said every effort would be made to relocate workers within the Public Service.

Mr Adams agreed with the need for a regrading of established posts within the Public Service and the National Union of Public Workers advised that it was its intention to make submissions to the Chief Establishments Officer on this matter.

Criticism of Foreign Firms

Bridgetown BARBADOS ADVOCATE in English 23 Mar 84 p 1

[Text] Mr Frank Walcott, General Secretary of the Barbados Workers' Union, has accused some companies in Barbados, especially overseas concerns based here, of creating problems to interfere with the right of their employees to join the trade union of their choice.

He said that such action if allowed to increase could only lead to industrial disharmony in the island.

Mr Walcott's comments were included in a paper he presented to a seminar on "Employment, the trade union and the law," which ended yesterday at the Dover Convention Centre and sponsored by the Blackman Corporation Limited.

Mr Walcott noted that this attempt to infringe the rights of the individual was happening despite the Constitutional guarantee which gives the individual the right to form or belong to trade unions for the protection of his interest and those protections provided by the Trade Union Act.

The trade union leader also discussed collective bargaining, noting that this was one of the principal objectives of the trade union.

He said: "The gateway to collective bargaining in Barbados is through the recognition of the union by an employer as the representative of its members at the workplace."

He said that at present this recognition was not provided for in law, although Government's most recent White Paper on Industrial relations has made a call for it.

He explained that the practice of voluntarism in Barbados has allowed for a procedure associated with recognition which is acceptable to most employers and the union.

He noted that the occasions on which the union has had to resort to the strike weapon to ensure recognition by an employer have been rare.

Agricultural Situation

Bridgetown SUNDAY SUN in English 25 Mar 84 p 3

[Text]

THREE estates operated by the Agricultural Development Corporation (ADC) will go out of production within the next three months.

Minister of Agriculture, Dr. Richard Cheltenham told the House of Assembly last Friday, that Wildey, Fairy Valley, and Coverly estates, presently controlled by the ADC, will cease production and the lands will be handed over to the Ministry of Housing and Lands.

Speaking during the debate on the 1984-85 Estimates, the minister also disclosed that funding would be needed to meet severance payments for the 75 workers who would become redundant as a result of the closures.

Dr. Cheltenham also disclosed that an agricultural station is to be constructed at the Springhall Land-lease Project, St. Lucy to replace the one at Jerusalem, St. Peter. According to him, the ministry had started the process

of rationalising the stations, many of which he said have outlived their usefulness.

He said that experts had reported that with the excellent communications in Barbados, there was need for only one agricultural station.

Government has however settled for four stations, the minister indicated.

Besides closing the Jerusalem site, the agricultural stations at Bullens and Groves would also be closed, he added.

Dealing with the Springhall project, Dr. Cheltenham pointed out that previously loans had been provided for the tenants there to erect houses upon satisfying certain qualifying requirements.

Unfortunately, he added, two farmers there had been unable to meet the requirements and had not yet erected houses.

Some thought had been given, he said, for the ADC to build the houses needed and then rent them to tenants. But the minister observed that they had to be careful not to make the tenants at Springhall feel that Government would be providing everything.

They must play their part as well, he added.

Rising Unemployment

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 10

[Text]

The unemployment situation in Barbados is a matter of great concern to all of us since it has serious social, economic and political implications, according to Opposition Senator Evelyn Greaves.

He told the Senate yesterday that we need programmes and schemes to ensure that our people who need work can have work. "The Democratic Labour Party wants to see something positive done about tackling unemployment seriously in this country," Senator Greaves said. He told the Chamber that the Barbados Labour Party regime after taking power said that thousands of jobs would have been created in offshore industries, and he wanted to know about these promised jobs. Nothing, he said, had happened.

"Unemployment is rising every day, we need new initiatives in creating jobs," he said.

Referring to a statement given earlier by Leader of Government Business, Senator Nigel Barrow, that some 72 people in Barbados

were earning \$100 000 annually and over, Senator Greaves said that incomes in Barbados were still relatively modest, although distribution was better than in some other areas of the world. He added that some of us (trade unionists) were still interested in redistribution of this income.

Senator Greaves, a senior executive of the Barbados Workers Union said that whatever movement upwards in incomes in this country had seen can be attributed to the BWU and no other institution in the country;

Government or otherwise. He added that the BLP administration always comes out against the union's efforts to redistribute and increase the earnings of the people, and the union was held up as a villain. "As long as we are involved in negotiations we will ensure that we get the best deal for workers and so have better redistribution of income," Senator Greaves said.

Dealing with another matter, Senator Greaves said that this country was paying 18 cents out of every dollar which is collected in revenue to service our debt. In addition he noted that there were loans to the Sugar Industry, the Barbados Light and Power Company and the statutory bodies which had to be guaranteed.

"The debt which we saddle this

country with must be carefully watched....the DLP is warning the Government that it must tread carefully in this area....we are expressing our concern," he added.

In referring to the \$600 000 which Barbadians are said to be spending weekly on the Barbados Turf Club's "Let's Go to the Races" game, Senator Greaves said that people are desperate; they see so little ahead for them; they are taking a chance; they are hoping to win some money to make ends meet.

He pointed out that under the BLP administration we have seen various types of gambling introduced in the island: Instant Money, Wheel of Fortune, Nation Bingo and casino gambling.

Call for Government Jobs Action

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 10

[Text]

With the unemployment rate in Barbados currently at 15 per cent, Senator Nigel Barrow has said that Government must return to its role of principal generator of employment.

He said that the level of employment had declined to the level last experienced in 1977 and it was clear that with the improvement now being experienced in the local economy, Government would have to return to this major role.

He, however, warned against crash programmes which, he said, were not only short term but also often caused long term injury because of bad practices which such programmes tended to introduce.

He said that the role of Government must be emphasised not as an employer of first resort nor as an institution that, no matter how ridiculous the situation may be, he felt it had to provide employment without being critical as to the

type of employment provided.

He said that what must be emphasised was Government's responsibility to create employment opportunities both directly by capital works programmes or indirectly by incentives and the general domestic climate which it promoted. He said this was the thrust of Government policy at this stage.

Senator Barrow said it was this same policy which tended to keep inflation low.

He noted that Barbados' inflation rate was halved in 1983 to five per cent.

He said that this year's Estimates showed that the need for the stringent measures of the last two years will be eased somewhat by the recovery in the international economy and subsequently Barbados'.

He said that the cutting back in expenditure over the last two years had resulted in the cutting

back of projects with employment generating capacity, which had resulting effects on the level of unemployment. Barbados' labour force currently stands at 107 000 people, he said.

Senator Barrow also said that Barbados appeared at this stage to have put behind it a period where real output had been falling.

While sugar and tourism were still not performing, he said, there had been growth in non-traditional exports which had accounted for a great deal of economic development.

He pointed to improvement in the manufacturing sector, non-sugar agriculture which grew by 20 per cent last year and oil production which rose by 48 per cent.

He said there had been a stabilisation in the construction industry which is one of the most important employers on the island.

Teacher Wage Demands

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 1

[Excerpt] The Barbados Union of Teachers (BUT) is seeking a 35 percent increase in salaries for its members at the bottom of the teachers' salary scale, and 17 percent at the top.

The BUT said it had submitted salaries and reclassification proposals as a basis for negotiations with Government.

BUT President Victor Hutchinson was quoted by the union's organ Outlook as saying that his organisation will be particularly concerned with the erosive effects of the rate of inflation and the new taxation on teachers' salaries in making its case for the increases.

It was reported last week that the Government had offered a 12.5 percent increase to public servants to one of the other public sector unions after it had rejected an earlier offer of 10 percent.

CSO: 3298/679

IMF ECONOMIC SURVEY FAVORABLE, BUT URGES IMPROVEMENTS

Bridgetown SUNDAY SUN in English 25 Mar 84 p 40

[Article by Tony Best]

[Text]

WHILE giving Barbados high marks for the management of its economic affairs, the International Monetary Fund still sees the need for tight fiscal measures to meet future challenges, and an interest rate policy in Barbados that would prevent the flight of money from the country.

These were two of the most important conclusions contained in an economic survey of Barbados conducted by the IMF.

The survey, which was handed over to the Government around the end of February, stated that the tight fiscal policy which was pursued by the Government in 1982 and 1983 had paid dividends, in that the country was able to reduce the size of its deficit, while at the same time avoiding other drastic measures.

Barbados went to the IMF in 1982 and obtained an IMF loan — a loan which generated considerable public discussion and controversy in the island.

The fund pointed out that Barbados had borrowed heavily early in 1981, but had taken some steps during the same year to correct financial imbalances. Those internal measures were then coupled with the standby loan and compensatory financial arrangements with the fund.

"A major effort was made to strengthen financial performance through a reduction in the Government deficit, containment of wage increases, particularly in the public sector, higher domestic rates and curbs on the rate of credit expansion," the IMF stated of the action taken by government after the second half of 1981.

"By the end of 1983, major progress had been made in reducing external and domestic financial imbalances."

The programme of the Government has been so successful, according to the fund, that by the end of last year the external current account deficit, estimated at about four percent of GDP (Gross Domestic Product), was only one half of what it was in 1981.

Moreover, the fund declared, Barbados was able to slash inflation almost in half, moving from 11.6 percent in 1981 to six percent in 1983.

Reflecting new tax measures and expenditure restraint, the overall central government deficit for 1983 - 84 is now projected at about 1.5 percent of GDP, the fund stated.

"The substantial adjustments achieved by Barbados have set the stage for fast growth of income and employment during the next few years," the IMF observed.

"Nevertheless, Barbados still faces a challenge."

One of the challenges is in the area of international reserves. It pointed out that while the reserves at the end of last year were equivalent to three months of imports, more than half of the reserves were "non-liquid" credit balances in the CARICOM multilateral clearing facility.

"There is, therefore, a need to strengthen the margin of liquid official reserves, so continued caution in demand management will show an interest rates policy that seeks to minimise short term capital outflows, while prompting domestic mobilisation of financial savings," the fund added.

CSO: 3298/680

ST JOHN SEES PROBLEM WITH SOME ASPECTS OF CBI

Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 1

[Text] Barbados has said that it envisaged certain problems with the implementation of some of the regulations under the American sponsored economic programme, the Caribbean Basin Initiative (CBI).

Addressing the opening ceremony of a two-day CBI implementation seminar at the Dover Convention Centre yesterday, Trade and Industry Minister Bernard St John said the regulations covered adequately the provisions of the CBI.

However, he stated that in its eagerness to facilitate trade under the CBI, the US Custom Service had placed the onus of endorsement with liability on the US importer with respect to the declaration to be provided by the Caribbean manufacturer-exporter.

According to Mr St John: "We in Barbados envisage certain problems with the implementation of this regulation. For how can an importer authoritatively endorse a declaration of an exporter without running the risk of being liable to be prosecuted for misrepresentation of facts."

He stated that Barbados believed importers were likely to experience some difficulties and to demonstrate some reluctance in endorsing information which they cannot readily verify.

"This requirement, therefore, can act as a severe constraint especially in the early stages, and the frequency and speed with which desired transactions are likely to be successfully completed," he said.

He added: "We in Barbados would prefer the situation whereby certification of CBI exports could be done by an appropriate Governmental authority in the exporting country.

"This acquisition of such a certification by the importer can then constitute an acceptable verification procedure," he noted.

Mr St John said there was also a related concern on the part of potential exporters in respect to the information to be provided in the manufacturers-exporters declaration.

Said Mr St John: "The concern is that some problems are likely to arise as a result of the disclosure of confidential business details by an exporter to an importing customer."

Mr St John is hoping that this concern will be fully addressed during the course of the seminar.

The seminar is sponsored by the U.S. Department of Commerce, Barbados Ministry of Trade and the Caribbean Association of Industry and Commerce (CAIC).

Representatives of the countries embraced by the Caribbean Basin Initiative attended the seminar.

CSO: 3298/680

BRIEFS

YOUTH GROUP REGISTER--The Youth Affairs Section of the Ministry of Information and Culture will be preparing a new register of all youth groups and youth organisations in Barbados during the month of April. In addition, the Ministry will be updating its information on all youth groups and organisations to determine their status and needs and to assist in implementing future youth programmes more effectively. Registration, which will be on an annual basis, will also allow groups and organisations to be considered for any benefits which may be offered by the Ministry or other agencies in the future. Groups wishing to participate in the registration and the supply of information should collect the necessary forms from the Ministry or call the Ministry at the numbers from 427-9101 to 427-9104. Groups can also request forms by writing to the Ministry. Forms should be returned to the Ministry of Information and Culture, Culloden Farm, Culloden Road, St Michael on or before April 30. Further information and enquiries may be obtained from the Youth Affairs Section Ministry of Information and Culture, telephone number 427-9101-4 Ext 210. (BGIS) [Text] [Bridgetown BARBADOS ADVOCATE in English 27 Mar 84 p 1]

DLP COMEBACK CANDIDATE--Unsuccessful candidate for the Opposition Democratic Labour Party in the 1976 general elections, Mr Cyril Walker, is reported to be making a come-back to active politics. According to well informed sources, Mr Walker who unsuccessfully contested the St George South seat against Minister of Foreign Affairs Mr Louis Tull, has now turned his attention to St George North. This seat is currently held by Mr Jack Odle, Chairman of Committees in the House of Assembly. According to the reports, Mr Walker's candidature is still to be ratified by the DLP's General Council. Mr Walker is a business executive. The Opposition party has already indicated that besides its 12 Parliamentarians--10 in the Lower House and two in the Upper Chamber--it will be running Mrs Sybil Leacock, St Peter; Dr Erskine Simmons, St Michael South East, and Avil Mascoll in St Andrew. [Text] [Bridgetown SUNDAY ADVOCATE in English 18 Mar 84 p 1]

CSO: 3298/680

TEXT OF PRICE'S PRESENTATION OF 1984-85 BUDGET

Belize City BELIZE SUNDAY TIMES in English 25 Mar 84 Supplement unpagged

[Apparent text of Prime Minister Price's speech on the 1985-85 Budget to House of Representatives, Belmopan, 16 Mar 1984]

[Text]

I move the second reading of the General Revenue Appropriation Bill 1984 and present the budget for the fiscal year 1984/85.

The Budget for the fiscal year 1984/85 is designed to consolidate and strengthen the economy and to ensure more development in the years ahead.

Our objectives are:

- (i) to reduce recurrent expenditure while providing for and maintaining existing services;
- (ii) to achieve greater efficiency in economic management;
- (iii) to restore fiscal discipline vital to economic recovery;
- (iv) to increase foreign investment;
- (v) to improve physical infrastructure for marketing increased production;
- (vi) to ensure more employment.

BELIZE AND THE WORLD ECONOMY

Belize has an open economy. It is responsive to changes in world economic activity.

In 1983 some developed countries experienced modest economic growth while others struggled with the effects of severe debt crisis.

Due to a time lag in experiencing effects of external changes and due to low commodity prices, Belize is not able to participate fully in the economic recovery of some industrial countries. Yet there is a positive effect in the reduction of inflation and interest rates.

The debt crisis which bedevils our region and the potential economic effects of budget deficits of the United States of America prevent lower interest rates. They also make funding of some capital projects more difficult to obtain.

Belize supports the call for dialogue between the Third World and the international financial institutions in an effort to solve this debt crisis and other related problems.

THE DOMESTIC ECONOMY

In 1983, there was a small increase of over half per cent in the real Gross Domestic Product.

The consumer price index declined to approximately two per cent. Thus there was a reduction in the inflationary trend.

Prices of most export commodities remained depressed on the world market. The average export price of sugar fell steadily since 1980 and was down to \$626 per long ton in 1983 from a high of \$982 per long ton in 1980. Prices of molasses, fish products and garments also fell during this period. Other commodities, such as citrus concentrates, banana and timber, had an increase in the average export price. In 1984 prospects of better prices for citrus are good.

AGRICULTURAL SECTOR 1983 PERFORMANCE

Preliminary figures show that the agricultural production increased by about 3 per cent in 1983 compared with the previous year. Let us review the state of some industries but not all:

Sugar

Sugar production increased from 106 thousand long tons in 1982 to 114.3 thousand long tons in 1983—an increase of 7.8 per cent. Export earnings from sugar also increased by \$2.6 million to \$68.3 million during this period. The estimated production for 1984 is 110 thousand tons.

Citrus

Citrus production fell from 1.8 million boxes in 1982 to 0.9 million boxes in 1983. Production of grapefruit fell to nearly a quarter of the 1982 production mainly due to late harvesting.

The 1984 production is expected to increase to some 1.8 million boxes or more.

Banana

Banana production increased by seven thousand boxes to 531 thousand boxes. The export price of banana went up slightly in the second half of 1983, thus causing export earnings to rise by \$0.6 million to \$4.8 million. The 1984 production is expected to be larger.

Rice

There was a decrease in rice production as a result of a decline at the Big Falls Ranch, Belize District.

Corn

Corn production was less by some 8.2 million pounds to a reduced total of 38.8 million pounds.

Red Kidney Beans

Production of Red Kidney Beans totalled 4.0 million pounds compared with 3.9 million pounds in the previous year. Most of it went to the domestic market.

Beef

Beef production remained more or less the same at just over 2 million pounds for the last three years. In 1984 the abattoir and meat-packing plant are expected to renew operation and produce for the export market.

Industry

The index of industrial production shows an increase of almost 7 per cent in 1983 compared with the previous year. The figures for 1982 and 1983 illustrate this.

Products	1982	1983
Garments	0.6 m pieces	0.8 m pieces
Cigarettes	56.0 million	57.0 million
Flour	10.9 m lbs	11.0 m lbs.
Fish products	1.4 m lbs.	1.7 m lbs.
Beer and Stout	0.8 m gals.	0.9 m gals.

BALANCE OF PAYMENTS

Preliminary data show that the value of Gross Imports amounted to approximately \$225.8 M in 1983. Total exports including re-exports were \$155.5 M. By way of comparison the 1982 figures were: \$256 M imports and \$181 M exports.

The visible trade deficit is \$70.3M. It was closed largely by official capital inflows as well as private foreign investment, cash remittances and transfers from abroad.

MONEY AND CREDIT

According to data from the Central Bank, at end of December 1983 deposits in the commercial banks totalled \$141.9 million compared with \$115.4 million in 1982—an increase of almost \$27 million.

Loans amounted to \$141.6 million reflecting an increase of \$9.3 million over 1982. It is expected that the lower prime lending rate should stimulate further borrowing in the productive sectors.

Money Supply (demand deposits and money in circulation) stood at \$47.8 million dollars—an increase of \$5.9 million over a year ago.

Total credit to the private sector increased from \$108.3m in 1982 to \$119.5m in November 1983—an overall increase of \$11.2 million.

Public sector credit increased from \$55.3 million to \$70.8 million, an increase of \$15.5 million. The need to maintain the level of public sector investment resulted in the rise of public sector credit.

INVESTMENT AND SAVINGS

A decline in gross domestic investment is estimated because of lower levels of net investment in both the private and public sectors.

In the private sector there were low receipts from sugar sales as well as adverse effects of the Mexican peso devaluation.

Many public sector capital projects were completed in late 1982 and early 1983. This accounted for the fall in public sector investment. Several new projects are scheduled to commence in this new budget year.

Gross domestic savings are estimated to have remained at approximately the same level as that of 1982.

INTEREST RATES

The Central Bank is empowered to determine and announce the maximum and minimum rates of interest which commercial banks may apply to loans, advances on other credits, and on deposits. The prevailing situation in the international financial market affects interest rates.

Prime lending rates were reduced from 16% to 14% in August 1983 and were again reduced from 14% to 12% in January 1984. The reductions were intended to stimulate the economy by directing money held in commercial banks to investment in the economy.

Current interest rates on fixed deposits are 6% to 9 1/2%.

PUBLIC FINANCE—FORMAT OF THE ESTIMATES

The budget for 1984/85 is presented in a different format. The aim is to achieve better financial accountability and control in the allocation of resources. The establishment of the office of Budget and Management together with the computerization of the Government Accounts should bring accurate accounts up to date and thus facilitate efficient fiscal management.

The Budget we present this year, is designed to minimise Government recurrent expenditure and attempts to improve Government services.

1982/83 FISCAL YEAR

Provisional figures show that Central Government Recurrent Expenditure was financed by recurrent revenue in 1982/83.

Expenditure on Development projects, recorded as Capital II and Capital III, amounted to \$23.6 M and was financed largely by grants, concessionary borrowing and transfers of resources in our economic co-operation programmes.

PROJECTED OUT-TURN FOR 1983/84

During the last four years, pressures to expand public sector functions increased. We have experienced a revolution of rising expectations of what government should do and can do. This has occurred at a time when there was world economic stagnation, accompanied by low growth, high inflation and high unemployment. The global economic environment has resulted in ailing and uncompetitive industries which could survive only with government assistance. To provide such assistance weakens the financial position of government.

Fiscal discipline must be applied because it is one of the prime ingredients for economic recovery and for sustained economic growth.

In recent years, it has become exceedingly difficult to balance Central Government's Recurrent Budget in a world of economic recession. Through careful fiscal management we achieved a balanced budget up to the end of fiscal year 1982/83.

Economic circumstances, many of which are beyond our control, have weakened our fiscal position and we project a deficit of approximately \$11.3 million for the fiscal year 1983/84.

A comparative table of figures (estimated and revised) for the financial year 1983/84 follows:

	Approved Estimates 1983/84	Revised Estimates 1983/84
Recurrent Revenue	98.7m	75.8m
Recurrent Expenditure	86.3m	84.8m
Surplus/ (Deficit)	12.4m surplus	(9.0) deficit
Revenue and other receipts (Capital II)	2.9m	9.7
Total Revenue II	15.3	0.7
Capital II Expenditure	15.3	12.0
Total surplus/ (Deficit)	—	(11.3) deficit

The main reasons for this shortfall are:—

- (i) significant reduction in projected revenue due mainly to the decline in the volume of taxable imports;
- (ii) substantial increases in the level of debt servicing on behalf of statutory boards; and
- (iii) reduction in tax revenue resulting from a slow down in the volume of business activities.

Recurrent expenditure has had to be strictly controlled and Capital II Expenditure reduced considerably to minimise the adverse effects of the projected shortfall at 31 March 1984.

This shortfall is being financed mainly through short-term borrowing.

PROPOSALS FOR 1984/85

The 1984/85 budget proposals are designed to reduce government's expenditure, to further control inflation, to encourage investment and to continue to provide the climate for self-sustained growth. The estimates propose a total expenditure of \$180.33M as follows:

	\$M
(a) Recurrent Expenditure	91.55
(b) On-going local capital Expenditure	3.47
(c) Capital Expenditure to be funded from External Loans and Economic Co-operation Programmes	36.10
SUB-TOTAL	\$131.12
(d) Capital Expenditure, whose sources of funding are to be identified during the year, amounts to	49.21
	\$180.33

The total estimates for recurrent expenditure, amounting to \$92M, shows an increase of some \$5M over the estimates for 1983/84. This increase is due to the reclassification of some capital projects as recurrent projects and to two inescapable commitments. They are:

- (i) Education. There are modest increases to meet the demands of our expanding educational systems.
- (ii) Public Debt servicing, which has increased considerably, to meet our obligations to local and international creditors.

All other programmes show a decrease in the level of funding over the corresponding estimates of the previous year.

In term of functional classification the recurrent budget is structured in the following manner:—

	1984/85
Administration	12,184,292
Security	10,856,822
Health and Housing	9,575,599
Education and Economic Planning	18,350,441
Natural Resources	9,732,052
Local Government and Social Development	4,884,031
Communications and Works	9,156,324
Overseas Representation and Transfers	3,322,080
Public Debt	13,490,955
TOTAL	\$91,552,596

Financing for the recurrent expenditure is estimated to come entirely from our local revenue sources. The recurrent expenditure is shown in economic classification as follows:—

	Amount	Percentage of Total
Salaries and Wages	\$42,514,472	46.44
Pensions and retirements benefits	3,850,500	4.20
Goods and Services	29,579,427	32.31
Transfers and contributions	2,117,242	2.31
Debt servicing	13,490,955	14.74
	\$91,552,596	100.00

CAPITAL II

Expenditure in Capital II will be financed from an estimated surplus of \$3.47M from recurrent revenue.

Capital II Estimates provide for the continuation of the land reform programme, housing development, educational equipment and facilities, community development projects and other programmes.

CAPITAL III

Capital III Expenditure will be financed in part from transfers of resources under our Economic Co-operation Programmes with the United Kingdom, Canada, the European Economic Community and the United States of America. Part will be financed by loans from the Caribbean Development Bank, the International Bank for Reconstruction and Development (World Bank) and other international agencies such as the United States AID.

Projects totalling \$36.10M, for which funding is identified, include:—

- (1) Phase II of the Belize City Water and Sewerage Project
- (2) Toledo Rural Development
- (3) Road Maintenance Project
- (4) Bridges, Southern Highway
- (5) Livestock Project
- (6) Feeder Road Construction
- (7) Airport Firefighting Equipment
- (8) Airport Navigational Equipment.

There are other projects in the Capital Budget estimated at \$49.2M which have been included but for which sources of finance have not yet been identified because international institutions and organizations would like Government priorities to be identified.

Such major projects include:—

- (a) Low cost housing
- (b) Rehabilitation Rockview Psychiatric Hospital
- (c) New Belize City Hospital
- (d) Belize International Airport Terminal Complex
- (e) New Belize City Post Office
- (f) New Fire Station Belize City.

The 1984/85 budget represents a total expenditure of \$180.33 million. We propose to finance it in the following manner:—

Revenue from Local Sources	\$95.02M
Revenue from transfer of resources in our Economic Development Programmes	20.10M
Loans from Caribbean Development Bank and World Bank, and other agencies	65.21M
TOTAL	\$180.33M

STATUTORY BOARDS

In keeping with Government commitment to provide basic services to Belizeans in both urban and rural areas, Government continues to support the financial operations of most statutory boards by subventions and guarantees for loans. Government sees the need for the boards to operate on a more commercial basis and will assist them in streamlining their operations.

TAX REVENUE MEASURES

Revenue from existing sources will not balance the estimated expenditure. There is need to collect an additional \$3 million to balance the recurrent budget and to provide a surplus for the Capital II budget.

We propose to raise this amount of revenue by the following measures:—

- (1) an increase in the excise duty on locally produced beer by \$1.36 per gallon. This should increase the retail price of one pint of beer by ten cents.
- (2) an increase of ten per cent in the revenue replacement duty on imported beer.
- (3) a tax of 1.25 per cent on foreign currency transactions.
- (4) an increase of the Belize International Airport Departure Tax by two dollars to a total of ten dollars.
- (5) an amendment to the law in order to increase the interest charged on delinquent income tax accounts. The new rate proposed would be two per cent above the prime rate prevailing at any given time.
- (6) an amendment to the tax laws which would specify that exemption from income tax on interest from savings be limited to interest paid by financial institutions in Belize to individuals.

So much for the tax revenue measures. Now for some relief.

We propose also to introduce legislation in the near future to permit married couples to file individual or separate tax returns if they so desire.

A DIFFICULT SITUATION

A time of economic and financial adversity requires a budget such as we present to the House.

It strives to reduce expenditure as much as possible and to increase revenue by reducing arrears and improving collection of revenue.

This is not all we are doing to improve a difficult situation. Negotiations are in progress to save, maintain and improve industries basic to our economic well-being.

Negotiations are in progress to enable the public and private sectors of our economy to acquire a majority of shares in the sugar industry in order to establish on a firmer footing this industry in both the Corozal and Orange Walk Districts.

We are pursuing, through the pertinent ministries and especially through the Ministry of Economic Development and its Task Force, negotiations to revive the rice industry in Big Falls in the Belize District by sale to private enterprise; negotiations to grow more food and to expand the cattle industry; negotiations to reorganize the banana industry and thus increase production; negotiations to obtain more and better markets for our export commodities and to attract more investment in industrial development and tourism.

We are also working to consolidate and to obtain better terms for the repayment of the national debt and to create conditions of development and employment in order to meet the obligations we incur. The debt service ratio stands today at about ten per cent of our export earnings.

Belize is part of a region afflicted by such adversity and yet there is hope because voices are raised calling for larger transfers of resources, science and technology, in order to save the region from disaster.

Encouraging too is the work of the North-South Dialogue to increase the prices of commodities from developing countries, to lower interest rates, to grow more food and to find less expensive sources of energy.

A PEOPLE OF FAITH

We are a people of courage who took Belize to independence with all its territory. We see independence as a beginning and an opportunity to create a new society.

In difficult times we must not lose this courage. We renew our belief and hope in the good work of the revolution—peaceful, constructive, new, progressive.

We are a people of God with a good record on human rights. The Constitution of Belize acknowledges the supremacy of God. We believe in a better future for all to enjoy. Such inspiration comes from the Bible's Book of Psalms:

*"Let the beauty of the Lord our God be upon us;
and establish thou the work of our hand."*

(Psalm 90, 17).

May the God of Nations bless and help Belize and its people in working with success this budget for the new financial year.

CSO: 3298/681

UDP CALLS BUDGET 'DISASTER FOR ECONOMY OF BELIZE'

Belize City AMANDALA in English 23 Mar 84 p 7

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 19, 25 Mar 84, and carrying the caveat "The UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text] Last Friday Minister of Finance George Price presented another of his fake budgets to the House of Representatives in Belmopan. If verbal gymnastics were an Olympic event, Price would certainly qualify to captain the Belize team. But in spite of his attempts at covering up the sad state of his government, the bare facts speak for themselves. The grandiose budget he presented last year has now been exposed as a fraud on the Belizean people. Last year at this time Mr Price promised he would have a twelve million collar surplus of recurrent revenue over expenses. Instead he ended up with an eleven and a half million dollar deficit--that is, 11 1/2 million in the red. This means that the Minister of Finance miscalculated by almost twenty-four million dollars in making his budget last year! This is 25% error in preparing the budget! Are we now to believe that he is saying he will only be three million short, and he will make it up by taxing everybody more. In announcing the new tax on everybody, he tried to deceive by calling it a stamp duty on foreign exchange transactions. He hopes to collect two million dollars more this way. Now the man in the street may think that it will not affect him if he doesn't have to go to the bank to buy US dollars or other foreign money. But when we consider that every single item we consume that is not made in Belize must be paid for by a foreign exchange transaction, then we can see that everyone will pay this new tax. He promised income tax relief to working married couples, but the fact is it is only just a promise; he has not changed the income tax law on this, and even if he should introduce a new law, we know how long the PUP can take to bring a new law into effect if it suits them.

The television Act was passed last summer, but only came into force this month. The Ombudsman Act was introduced last summer, but it still has not been passed. In fact, the budget reveals that even if the Ombudsman law is passed the PUP have no intention of appointing an Ombudsman before the next election, because they have only provided a token ten dollars for the post. On a record like that, we can assume that any change in income tax to benefit married couples will never come about in time to save on 1984 income taxes.

As to capital expenditure, the Minister of Finance has sought here to perpetrate an even bigger fraud. This year, as in past years, he rattles off a list of wonderful projects for the year. Some of them, like the new hospital for Belize City, the new Airport terminal, new low cost housing, have been trotted out each budget time since before 1979. And we are told that the sources of funds for these projects have not yet been identified. In plain English, there is no money for any of these things, but they are tossed into the budget just to make things sound good.

In this year's budget, there are projects costing forty-nine million dollars, but there is no forty-nine million dollars to be found. Another election year gimmick.

The fact of the matter is that from the first budget of the present PUP government in 1980, they have been unable to find even 40% of all the money they say they will spend to develop the country each year. Each year the budget is grossly inflated so the Minister can toss around figures to impress his supporters, but they are just as empty as the brain that produced them.

This year's budget is a disaster for the economy of Belize. And remember this year is election year, so we know Price has tried all he could to make it as pretty as possible. So if after all the camouflage it still looks bad, you can imagine how bad it really is! And still the Minister of Finance buries his head in the sand and reads from the Psalms and tells us to have faith in revolution! Well the people now know that there is only one revolution that can save the situation, and that is the common sense revolution that is already taking place as people all over the nation look in a new direction for new hope, new plans, new programmes, new people--the United Democratic Party--the only alternative!

CSO: 3298/681

ECONOMY SHOWING SIGNS OF RECOVERY; GAINS IN SUGAR NOTED

Government Statistics

Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 4

[Text] Belmopan, Belize, Friday (CANA)--More money is trickling into the Belize national economy which is now showing marked signs of recovery, the government says.

According to the New Belize a publication of the Government Information Service (GIS), earnings from domestic exports rose by \$10.2 million (Bel\$1-49 cents U.S.) in 1983.

Total domestic exports for 1983 stood at \$130.2 million compared with \$120 million in 1982.

"Measures to give the economy more bouyancy are being considered," a Ministry of Finance official told New Belize. The official said devaluation of Belize dollar has been ruled out but government "is considering other steps for securing additional funds to withstand the current world economic pressures on the Belizean economy."

At least two of Belize's partners in the Caribbean Community have devalued their currencies within the last few months.

The figures on domestic exports for last year, as issued by the Central Statistical Office, show that sugar continues to be by far the biggest money-earner.

Of the record sugar production of 114 000 tons produced from 1.1 million tons of cane last year, 109 000 tons were exported earning Belize some \$71 million. The government has expressed its disappointment that the export price for sugar remains low.

Belize Sugar Industries' new general manager Hugh Fuller has said that it is expected that the country's two sugar factories will this year produce 110 000 tons of sugar, but New Belize said his figures are considered conservative by some industry sources.

Sugar cane grinding got off to a slow start in December at Libertad Sugar Mill in the Corozal district, in northern Belize. To add to this, grinding was hampered by technical problems triggered by a labour dispute.

The Belize Sugar industries wanted to cut back on its labour force, but the Belize Workers' Union objected.

Other major exports in the order of earnings but still a good distance behind sugar, are garments, fish products, citrus, bananas, sawn wood, molasses, honey and beans.

Total earnings from these exports are \$59.3 million was up some cases, down in others.

U.S. Sugar Quota Increase

Belize City THE REPORTER in English 25 Mar 84 p 7

[Text] Belize will be able to sell a little more than a thousand more short tons of sugar to the United States this year, thanks to a 1.1 percent increase in the overall quota due to a general expansion of United States buying power.

Belize is among the three dozen or more countries to get a modest slice of the quota pie, but the big winners in the re-allocation were the Dominican Republic which received a 17 percent increase and the Philippines which got a 13.5 percent cut of the new 100,000 ten bananza. The expanded quota brings U.S. global importation of sugar to 3,050,000 short tons from all her friends and neighbours.

Among the countries to receive an increase similar to ours are Canada, Jamaica, Mauritius and Ecuador. Trinidad and Tobago got a .7 percent increase and so did Fuji and Barbados. Guatemala got a 4.8 percent increase an amount exceeded only by Brazil, the Dominican Republic, Australia and the Philippines.

CSO: 3298/681

UDP DIVISIONAL CONVENTIONS SELECT CANDIDATES

Report on Conventions in West

Belize City AMANDALA in English 23 Mar 84 p 8

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 19, 25 Mar 84, and carrying the caveat "The UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text] Sunday, March 11th--The UDP Cayo North Division held its nominating convention to select a candidate to contest the upcoming general elctions. Three hopefuls vied for the position, Mr Eugenio Chuc, Mr Atanacio Quiterio, and Mr Eduardo Juan Jr., all three members of the San Ignacio Town Board. When the votes were counted, it was Mr Eduardo Juan Jr (Dito) far ahead of the others. So 'Dito' Juan has been duly elected candidate for the Cayo North Division. The convention was chaired by Councillor Carlos Castillo of the Belize City Council, and was addressed by Party Leader Senator Manuel Esquivel and Party Organizer Mr Santiago Perdomo. UDP supporters from the villages surrounding San Ignacio and along the Western Road as well as residents of San Ignacio and Santa Elena participated in the convention.

Sunday, March 18th--The UDP Cayo South Division held its nominating convention in Benque Viejo del Carmen. Over 600 people attended this keenly contested convention, with 558 members voting. This is by far the largest convention ever held in the Cayo South division. The large turnout was due to the great popularity of the two hopefuls, Mr Pedro Guerra-Mena and Benque Mayor Mr Carlos Leon. Voters came in from Benque, San Jose Succutz, Arenal, and other villages in the division. The results show Mr Pedro Guerra-Mena the winner by a majority of 48 votes. As both candidates had done before the voting, Mr Carlos Leon repeated after the voting his support for Mr Guerra-Mena and the UDP in the upcoming general elections. This convention was also chaired by Councillor Carlos Castillo and addressed by Party Leader Senator Manuel Esquivel.

The UDP is now ready to go into general elections in the West with its two candidates Mr 'Dito' Juan and Mr Pedro Guerra-Mena. If the District is redivided into more than two divisions, the Party has a slate of prospective candidates who are ready to take up the challenge and represent the UDP in whatever new constituencies may be created.

Village Council Elections

Belize City AMANDALA in English 23 Mar 84 p 8

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 19, 25 Mar 84, and carrying the caveat "The UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text] Many villages have been having their Village Council elections this month and as in national politics, villagers are also expressing their dissatisfaction with the old PUP leaders that have been running things in the villages for too many years. Village after village has dumped these old PUPs for fresh leadership which of course means the UDP. Notable among these villages are Crooked Tree, San Jose Succotz, and Hattieville, to name just a few.

The people of Crooked Tree, having been denied their right to elect a village council the last time around, this time voted UDP all the way. Elected Chairman is Mr Rudolph Crawford and his deputy is Mr Alexander Wade. Mr Crawford has long been a respected leader in his village, and a man noted for his ability to get things done. Crooked Tree is today better off for their new Village Council.

The people of Succotz have always fiercely contested Village Council elections and often the Council has been shared PUP-UDP, but this time the people elected all seven UDP and the new Chairman is Mr Merejildo Panti, one of the stalwarts of that village. His deputy is Mr Eufasio Cunil.

Hattieville also decided it was time for a change. They have voted for fresh leaders from the UDP as well.

Fort George Selection

Belize City THE BEACON in English 24 Mar 84 pp 1, 12

[Text] Belize--On Wednesday the UDP Fort George Division held its Convention at the Divisional Headquarters at 55 Eve Street, and selected Barrister-at-Law Dean Lindo as the party's Fort George candidate to contest this year's general elections. A fine crowd of party members turned out for the occasion.

The guest speaker was Opposition Leader Hon Curl Thompson; the Vote of Thanks was moved by Party Leader Sen Manuel Esquivel, and Prayers were offered by Hon Philip Goldson.

Mr Dean Lindo will be seeking his second term in the House of Representative.

He served as Leader of the Opposition in the 1974-1979 term.

UDP-Union Meeting

Belize City THE BEACON in English 24 Mar 84 p 1

[Text] On Monday a UDP delegation headed by Opposition Leader Hon Curl Thompson, met with officers of the Belize Energy Workers Union, and discussed a wide range of topics.

According to reports following the discussions, the Union filed with the UDP delegation a long list of complaints.

Both sides have said that the talks were informative.

UDP Shortcomings

Belize City DISWEEK in English 23 Mar 84 p 3

[Text] Last Sunday over 600 persons attended the UDP Convention in Benque Viejo del Carmen to elect a candidate to contest the general elections in that area. The position was hotly contested by UDP Mayor Carlos Leon and long-time UDP standard bearer Pedro Guerra Mena.

The situation was complicated by the fact that Santiago Perdomo, one time PUP representative for the area, had thrown all his weight behind Leon and had campaigned vigorously--and not too nicely--against Guerra Mena. Perdomo put all his supposed prestige--and that of the UDP national executive--on the line and vowed to secure a victory for Leon, but when the votes were counted Guerra Mena won by a large margin. He reportedly was elected by a large number of aliens and under-eighteen year olds. This represented a severe blow to Perdomo, who had, incredibly, succeeded in convincing UDP national leaders that he still had "weight" in Benque. This humiliating defeat has destroyed him further in the eyes of the national executive.

In other UDP news from the west, the Cayo North UDP convention was held the previous week, but with barely 100 persons present. There, three candidates wrestled for the candidacy, but it was hardly a contest. Eduardo Juan won with 96 votes, while the runner-up, Tanice, got 7 votes and Chuc only 3. The UDP had frantically tried to whip up a crowd, and scoured all the villages in search of supporters. But many villages sent no representatives at all and one village (Bullet Tree) which the UDP leaders thought was strong for them sent 6. Even the town, once considered a UDP stronghold, produced very few voters. It was a very worried-looking Esquivel who left the convention hall with this proof of voter repudiation to the UDP in Cayo.

CSO: 3298/683

DISWEEK VIEWS MEXICO, NOT U.S., AS MORE NATURAL ALLY

Belize City DISWEEK in English 23 Mar 84 p 2

[Editorial]

[Text]

Belize is bordered by two countries: Guatemala on the west and south, Mexico on the north. The government of one country is hostile to us and has been so since any of us can remember. The government of the other is friendly and concerned, and has shown its willingness for years to help us in our problem with Guatemala and with the difficult task of making our independence real.

Our ties with Mexico are indeed very long and strong. Back in the mid-nineteenth century, refugees from Mexico who settled in the north of Belize doubled our population at that time. The cultural ties between our two countries have remained strong. Workers in the cane come over every year in large numbers; some of them stay. Commerce between our two countries is strong and growing. Hundreds of Belizeans go to Mexico every month to shop and visit. On a person-to-person level, relations could hardly be closer.

As far as the government is concerned, we have been fortunate to have, in Mexico, an important and sympathetic ally. Despite a long-standing historical claim to part of our territory, Mexican governments have long since declared respect for our right to independence, and have helped enormously in the international campaign for recogni -

tion of this right. In effect, Mexico's position put a brake on Guatemala's pretensions, and if we had not had Mexico's support, or worse, if Mexico had been hostile to our rights, it is difficult to see how we could have got our independence when we did.

Since our independence, Mexico has made it abundantly clear that it is willing to help us as much as possible to maintain our independence. Mexico's foreign policy is one of respect for self-determination and non-interference. It's own experience with the expansionist and imperialist on its north has made it champion these principles, principles which are also vital for our own survival. It has raised to a fine art the ability to live on the "doorstep" of the imperialist giant of the hemisphere and still maintain an independent foreign policy.

For us to be even a little bit independent, in the face of Guatemala's claim and the slightly different "claim" of the USA to dictate our affairs, it behooves us to draw closer to Mexico, to embrace more warmly its offers of assistance, and to work closely with them to face the problems of our country and our region. The recent cultural agreement with Mexico is a useful step in this direction.

No country can claim to be the "natural ally" of another country. It can't be based on geography, or else Guatemala would be our natural ally. The only basis for alliance is that the relationship with the other country helps to further the interests of the people of the country in question. But if we have to talk about "natural allies," then surely on the basis of geography, on the basis of cultural affinity, but most importantly, on the basis of compatible policies, then, as regards the USA, Mexico is by far, for us a more natural ally.

As an example, if a US citizen can visit our country on a driver's permit, why shouldn't the Mexican be given the same privilege especially if this privilege will be reciprocated and Belizeans will be allowed to travel to Mexico without a visa.

BRIEFS

COLOMBIAN TRADE OFFICIAL--The Assistant Director of the Colombian Government Trade Bureau Mr Luis Edwardo Alercon is currently in Belize on an exploratory visit. The purpose of his visit is to look into the possibility of increasing trade between Colombia and Belize. On Monday he met with the government officials. The visiting Colombian official is also scheduled to meet with officials of the Belize Chamber of Commerce and the Belize Private Sector Organization. He will be looking at the possibility of assisting the Belize Government in the construction of more teachers' housing in the rural areas of Belize. In December of last year, Belize and Colombia signed a bilateral agreement for mutual cooperation which includes cooperation in trade and other areas. The agreement is now before the House of Representatives for ratification. [Text]
[Belize City THE BEACON in English 24 Mar 84 p 4]

CSO: 3298/683

SWEDEN SEEKS INCREASED BILATERAL TRADE

PY041904 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Apr 84 p 15

[Text] Sao Paulo--Sweden wishes to substantially expand its trade with Brazil as it is quite below the possibilities of the two countries, merely \$300 million per year. This is the main priority of the Swedish policy in Latin America.

This is what was stated yesterday by Sven Schele, deputy superintendant of the Swedish-Brazilian Business Chamber at the opening of Swedish-Brazilian technical week. This is a meeting of experts, scientists, and businessmen from the two countries, which, according to Schele, "should result in new investments, establishment of joint-ventures [in English], and the expansion of reciprocal trade."

After noting that there are 100 Swedish enterprises in Brazil, Sven Schele noted that his country is not only interested in products but also in Brazilian technology, "particularly in the gasahol sector in which Brazilians hold, at this time, international supremacy." Moreover, there is the desire to get acquainted with Brazilian technology in the hydroelectric field, since Brazil is an internationally recognized authority in this sector.

In compensation, Sweden plans to transfer to Brazil its developed mechanical industry technology in the steel, naval construction, and off-shore [oil rigs] sectors. Schele noted: "These are fields in which Brazil still needs to develop to meet the constant international developments."

He noted that only in 1983 did Sweden import an equivalent of \$30 billion since it is one of the few countries where free trade is practiced in all its forms since "there are no bureaucratic procedures or protectionist barriers."

CSO: 3342/88

INDUSTRIAL PRODUCTION, EMPLOYMENT RISE VIEWED WITH CAUTION

Sao Paulo VEJA in Portuguese 28 Mar 84 pp 100-102

[Text] Bumping into the president of the Federation of Industries of the state of Sao Paulo, Luis Eulalio de Bueno Vidigal Filho, at the Rio's Restaurant on the Flamengo Embankment last Tuesday, former President Ernesto Geisel went directly to the subject, which in recent days has preoccupied businessmen, economists and government officials: "How is it, Luis Eulalio, is there a recovery of the economy?" The reply by Luis Eulalio was incomplete. "President," he said, "we have some good signs already but we still do not have specific numbers." Late Thursday afternoon, in a telephone call to the office of Minister of Planning Delfim Netto in Sao Paulo, industrialist Paulo Francini, director of the Department of Economy of the FIESP [Sao Paulo State Federation of Industries], partially complemented the forecasts of Luis Eulalio. "Minister, sales by Sao Paulo industries in January grew 6.3 percent by comparison with January last year," Francini told him. Hopeful that this encouraging result will be repeated in coming months, Delfim said on the telephone: "I am going to wind up believing we are climbing out of the hole."

The expectation by Delfim is the same of businessmen and unions, who have been waiting since the end of last year, when the economy reached its lowest level since 1980, for a slight improvement in the bitter indicators of the recession. The first positive symptom was detected by the thermometer of the FIESP, which measures the number of persons employed in Sao Paulo industries. On a decline since July 1982, this index showed a slight rise of .26 percent in February by comparison with January, revealing that for the first time in 19 months, industries hired more people than they fired. It is a matter of a small contingent, a few more than 4,470. Of the two million workers in the transformation industry existing in Sao Paulo in 1980, today there are about 1.54 million left.

Another indication that 1984 began better than the black forecasts made when the lights went out on the old year, appeared last week with the revelation of the report on the trends in Brazilian industry prepared monthly by the Brazilian Institute of Geography and Statistics (FIBGE). In January, according to this document, production by Brazilian industry grew 3.1 percent by comparison with January 1983. In December, production by comparison with December 1982 had already grown 1.1 percent, interrupting a long string of months of uninterrupted decline. Accumulated production in periods of 12 months is still smaller up to last January, than that of the previous period. However, the rate of decline is less and less--5.14 percent up to last January, compared to 5.71 percent up to December--which encouraged the president of the FIBGE, Jesse Montello, to hazard that "It is very probable that the positive rates of January already represent the beginning of a rise in the economy."

Bottom of the Well

Tempered by caution, businessmen and even advisers to ministers in the economic area avoid confusing wishes with reality. "Since we started the year laden with pessimistic forecasts, it is reasonable to admit that there is a change of spirit underway for the better," argues Luis Eulalio of the FIESP. His forecasts are that hiring in industry will continue to exceed firings in March for the second consecutive month. In Brasilia, one of the closest advisers to Minister Delfim Netto, economist Jose Augusto Savasini, is more categorical: "We have come to the very bottom of the well, but it is too early for everyone to begin cheering," he warns. "Many sectors are still going to suffer difficult days."

The diagnosis by Savasini agrees with that of most of the businessmen, whose businesses are marching at the head of the economy and whose machines are operating at full capacity: The increase in production is due to the increase in exports of manufactured products, the increase in profits of farmers, who now have more money to spend because of the rise in food prices, and because of the low level of stocks with which companies have been operating and which are now being replenished. Outside of these areas, areas where money is scarce, recession, according to him, will continue to cause damage for some time to come. "Whoever has one foot on the international market should be able to operate better than the other enterprises, particularly if he manages to compensate for a loss of sales on the domestic market with more exports," says Boris Tabacof, director of the Suzano Paper and Cellulose Company, the second largest in that field.

In the first 2 months of this year, Suzano exports of paper and cardboards doubled by comparison with last year and Tabacof expects they will increase even more. He announces the expansion of productive capability of Suzano, investing \$45 million, of which \$18 million has already been earmarked for this year. "As of next year, whoever is the president elected by whatever system it may be, the domestic economy should once more grow fully," says Tabacof. "That is why we are already expanding our installations to take care of a greater domestic demand and at the same time have enough production for continuing exports."

Above Forecasts

Like Suzano, which is going to add 360 new workers to its staff of 7,000 workers, the Rhodia Company, a Brazilian affiliate of the French petrochemical and pharmaceutical conglomerate Rhone-Poulenc, is going to compensate for fewer sales by more and more profitable exports. In the first 2 months of this year, the company exported \$10.9 million worth, 127 percent more than in the similar period of 1983. "The Rhodia Company is showing, at the beginning of this year, an upward surge in its activities, which in some areas is beyond the forecasts," reveals Edson Vaz Musa, assistant director-superintendent of the group.

From paper and cellulose to the petrochemical industry, the winds of the foreign market have always blown on the vehicle assemblers, who place 20 percent of their total production abroad. They are in fourth place in the trade balance and this year have almost reached 15 percent of their export goal of \$2 billion. The dust clouds being raised by the harvesters in the rural areas are also giving a push to the sales of tractors, which have already increased

125 percent this year and have kept the automobile distributors scattered throughout the interior active. "We are pushing other sectors and we are beginning to detect signs of a heatup in some of them," says Andre Beer, vice president of General Motors and president of the manufacturers association.

One of the sectors which is growing in the wake of the assembly plants is the auto parts industry, which stopped firing and in some cases began investing. Such is the case of Metal Leve, which went further: it installed its own technology center and thanks to it, it won in an international competition for providing pistons to Pontiac, the American division of GM, which will bring in nearly \$7 million in the next year which begins with April. Altogether, Metal Leve, which is working without a break and hired 150 employees this year, is going to export \$23 million worth. "Whoever thinks about the long haul without ceasing to invest and avoiding debts, goes through a crisis with minimum losses and emerges strengthened from it," declares Jose Mindlin, president of Metal Leve.

New Profile

The Brazilian economy, which foundered with the recession which began in 1981, will not be the same one that will emerge once the factors which made it collapse have vanished, particularly with respect to the containment of imports, factors which included the cutback in state investments, the rise to stratospheric levels of rates of interest, wage tightening and the end of subsidies. More than likely the country will change its profile of industrialization, making the economy more efficient, less dependent on imported materials, more competitive on the international market and above all, more sophisticated. Imported fuel oil must give way to electrical energy, alcohol takes the place of petroleum, which is being supplied in increasing amounts by national sources, microelectronics are invading manufacturing processes lowering costs, and the foreign supply of fertilizers, steel, cellulose, chemical products, nonferrous metals is meaningless if not completely null. To the contrary, the country is becoming an exporter in all these products with the exception of copper.

These changes which are still somewhat imperceptible and which require the high price of unemployment, agreements which affect sales in commerce, cloud the horizons of many sectors and cause skepticism in some areas of government, among them advisers to the minister of industry and commerce, Camilo Penna, a well-known critic of the policy of Delfim Netto. "No figure indicates that civil construction has begun to react, and it is up to this sector to boost the economic resurgence," says Getulio Lamartine, executive secretary of the Industrial Development Council of the Ministry of Industry and Commerce.

In fact, only when civil construction begins to work with full force can it be said for sure that the recession has ended, as happened in the United States around the middle of last year, filling several analysts with surprise. Up to now, however, in Brazil the picture of this sector continues to be colored in somber hues, as is confirmed by the figures on cement production--stagnating at around 1.6 million tons by comparison to well over 2.2 million tons in 1980.

In compensation, the unexpected vigor of Brazilian exports has heated up the endeavors of other branches of industry such as the textile. "The textile sector is one of the first to go into a crisis and the last to emerge," says Ingo Zadroszny, president of Artex of Santa Catarina. "However, we have already felt a significant improvement, particularly in the area of exports."

Positive for industry, the good winds of exports and the rise in value of agricultural products still pass over the retail trade with the force of a light breeze, although since December the percentage declines in sales are smaller and smaller. "It is difficult to speak of recovery if wages continue declining," says Abilio Diniz, director-superintendent of the Pao de Azucar Corporation, the largest retail chain in the country, who, however, admits: "The situation was worse some months ago. The wage policy, passed precisely so as to cut down on sales in order to contain imports and fight inflation, will still have severe effects this year. Whoever earns 20 minimum wages (1.14 million cruzeiros), for example, will be earning at the end of the year, according to economist Roberto Fereira, adviser to Minister Camilo Penna, between 15 and 16 minimum wages (856,800 and 913,920 cruzeiros). "That flattening of the middle class leads it to be cautious about false euphorias," he says.

At the other extreme, however, the surplus of the trade balance this month should reach a new record of around \$1 billion, as is foreseen by the vice president of Banespa, Gilberto Dupas, injecting more courage into industrial production. The fact is that while some months ago people only gathered to discuss how poor the numbers on the economy were, discussions now cover two groups: those who believe that everything continues to be bad and those who glimpse improvements on the horizon. Beyond that no one can go.

8908

CSO: 3342/84

RIO GRANDE DO SUL HARVEST EXPECTED TO INCREASE 12 PERCENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Mar 84 p 15

[Text] Porto Alegre--This year Rio Grande do Sul will harvest 12.5 million tons of summer crops--rice, corn, soybeans, beans and sorghum--which places this harvest among the best in recent years, with an increase of 1.6 million tons (12 percent) by comparison with 1982/83. The figures come from the Department of Agricultural Planning of the Secretariat of Agriculture.

This good production is due to a better crop yield and also to an increase in the cultivated area, since farmers were encouraged by the good prices obtained in the previous harvest. One of the most significant improvements was in rice, which with a production of around 3 million tons in 1984, will have an increase of 35 percent over last year.

Soybean Sales Decline

Soybeans, the main state crop, will yield 5,650,000 tons this harvest, with an average yield of 1,550 kilograms per hectare in a cultivated area of 3,650,000 hectares. Soybean production in the last harvest was 5.3 million tons. However, only 25 percent of the soybeans at the beginning of this harvest have already been pledged to the foreign market. Last year at the beginning of the harvest, 40 percent of the harvest was already committed. The decline is due to fluctuations in the Commodities Market in Chicago.

Corn, which was planted in 1.9 million hectares, will produce around 3,650,000 tons and the yields of the fields will be 1,900 kilograms per hectare. Last year there was a production of 3,174,000 tons from 1,770,000 hectares.

The forecast for this summer's bean crop is around 123,000 tons, which means 31,000 tons more than the previous harvest from a like area of 190,000 hectares. The yield reaches 640 kilograms per hectares.

In the case of rice, there was also an increase of 70,000 hectares in the area planted and the average yield was 4,122 kilograms per hectare. As for sorghum, the estimate is a production of 132,000 tons from an area of 65,000 hectares (yield of 2,000 kilograms per hectare).

Tobacco Crop

With only 35 percent of the crop remaining to be harvested this year, production of the four types of tobacco in the southern region (Parana, Santa Catarina, and Rio Grande do Sul [as published]) will reach 320 million tons, compared to the 295 million harvested in 1983 [figures as published, could mean kilos rather than tons], it was announced yesterday by the president of the Tobacco Industry Union in the state, Helio Adolfo Fensterseifer.

"This year we recovered the average yield of 1,800 kilos per hectare lost last year due to rain," said Fensterseifer, "since the 115,000 growers in the region kept the same 205,000 hectares planted in tobacco."

8908

CSO: 3342/84

PCB HEAD URGES OPPOSITION TO UNITE TO NEGOTIATE WITH GOVERNMENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Mar 84 p 3

[Text] Sao Paulo--Brazilian Communist Party (PCB) Secretary General Giocondo Dias recommended yesterday in an interview that "the forces of opposition" unite to negotiate with the government for obtaining a change in the situation of the country. He warned that it is necessary to negotiate "before the elites make a pact at the summit, excluding the people."

Speaking at the celebration of the 62d year of the founding of the Communist Party, Giocondo advocated the reestablishment of direct elections for president of the republic, the call for a national constituent assembly and legality for the PCB. He also revealed the names of the new members of the commission for dealing with the registration of the PCB in the Electoral Court. In addition to him, the commission is made up by Salomao Malina, Teodoro de Mello, Givaldo Siqueira, Almir Neves, Sergio Moraes, Paulo Elizario, Jose Paulo Neto and Regis Fratti.

Registry

PCB leaders had planned to announce yesterday when they would send the by-laws, manifesto and slate for publication in the OFFICIAL DAILY and when they would make a request for registration to the Electoral Court. They decided, however, to wait for voting on the Dante de Oliveira amendment and, according to one of the members of the Central Committee, they will forward such documentation early in May.

After making a historical recount of the "endeavors" by the communists for direct elections, the convocation of a constituent assembly and the legalization of their slate, Giocondo Dias repeated the position of the communists in favor of negotiations. "We believe that all opposition forces should unite to negotiate a change in the situation the country is undergoing," he said.

"That is a negotiation that must be made," he continued, "between spokesmen from the opposition, who truly want that change, and those who rule in the country. It is necessary to negotiate to prevent the elites from making a pact at the summit and exclude the people from the negotiation."

Division

Divided, the communists yesterday commemorated the 62 years since the founding of the first Communist Party of the country. The PCB is the most influential and the one with the largest number of members. It sponsored a rally which gathered nearly 5,000 persons and it was also a gathering in support of the legality of the slate.

The Communist Party of Brazil (PC do B) commemorated the date with a talk by its secretary general, former deputy Joao Amazonas, at the Union of Professional Journalists of the State of Sao Paulo, which was attended by 300 persons. Dissidents of the PCB working for the newspaper A ESQUERDA, held a debate on "The Future of the Brazilian Left" in the Reboucas convention center, which was attended by nearly 200 persons.

8908

CSO: 3342/84

BRIEFS

FIRST AMX FLIGHT--Sao Jose dos Campos--The new Brazilian subsonic fighter, developed and built jointly with Italian companies Aermacchi and Aeritalia, will make its first flight in Turin (Italy) at the Aeritalia installations on 17 July. The announcement was made yesterday during a visit by Gen Lamberto Bartolucci, chief of staff of Italian Defense, to EMBRAER [Brazilian Aeronautics Company]. Bartolucci, who is a member of the Italian Air Force, was accompanied by the Italian ambassador in Brazil, Vieri Trasler, and he visited the installations of the Aerospace Technical Center (CTA) and the Brazilian Aeronautics Company. In an interview, the chief of Italian defense said that the program of cooperation for the production of the AMX is going very well and proceeding within the timetable established with a perfect integration which allows a broad exchange of information between Italian and Brazilian technicians. Lamberto Bartolucci was informed that the wings, empennage, air intakes and other parts, which will serve for the assembly of the second AMX prototype were shipped to his country this week. [Text] [Rio de Janeiro O GLOBO in Portuguese 17 Mar 84 p 19] 8908

DUTCH DELEGATION ARRIVES--A delegation made up by 23 businessmen and politicians from Rotterdam arrived yesterday in Rio de Janeiro to contact Brazilian enterprises and government agencies involved in exports to offer the services of the Port of Rotterdam. In the morning, the members of the delegation will hold a seminar at the Rio Palace Hotel where they will explain the advantages offered by the Port of Rotterdam. Goods shipped from this port to all European countries barely take 2 days to reach their final destination. [Text] [PY051430 Rio de Janeiro O GLOBO in Portuguese 4 Apr 84 p 15]

CSO: 3342/88

DAILY ON NEED TO IMPROVE FOREIGN SERVICE

PY052342 Santiago LA TERCERA DE LA HORA in Spanish 31 Mar 84 p 3

[Editorial: "Foreign Intervention"]

[Text] Unfortunately, the intervention of foreign governments in Chilean domestic affairs is something that is happening too frequently. This phenomenon, usually carried out in the name of world interdependency, barely conceals its arrogant, protectionist, and tutelary purpose, typical of the colonial empires that fortunately no longer exist. Therefore, these paternalistic aftertastes cause deep unrest at the official level as well as among the citizenry.

These interventions, in addition to violating diplomatic rules, reveal great ignorance regarding the Chilean people's idiosyncrasies. Those who believe that such actions will be supported by the alleged beneficiaries are mistaken. It has been a Chilean tradition to solve its internal problems without foreign intervention. And that principle remains as valid as when our country gained its independence.

The government is aware that some of its actions may be the target of criticism, but the international forums or the Chilean media are the only appropriate channels to make them public. Moreover, the government expects a reciprocal attitude from those countries with which it maintains diplomatic relations in refraining from interfering in our domestic affairs.

Due to these reasons, the Chilean citizenry is pleased to hear how our Foreign Ministry rejected foreign intervention in our domestic affairs.

These events confirm the fact that it is advisable for our diplomatic representatives abroad to put more effort in their jobs. It is essential that the world should have reliable information on the situation prevailing in Chile. The external front continues to be the most vulnerable and our representatives abroad are naturally responsible for safeguarding it. The blame is always placed on the poor image that the domestic situation has.

But when you think about the job carried out by Itamaraty--Brazilian diplomacy--that argument is not valid. Brazilian diplomacy, absolutely professional, always manages to successfully overcome the obstacles that the domestic situation represents.

As a consequence, it is necessary that urgent strategies be drawn up so that our foreign service may attain positive results in that regard.

CSO: 3348/355

BRIEFS

OIL SPILL IN VALPARAISO--Oil was spilled in the Port of Valparaiso again. This ecologic mishap was caused by the vessel (Alicaf) at the (Salinas) Bay. The maritime authorities immediately ordered that the waters be decontaminated. A total of 15 cubic meters of petroleum was spilled this time. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 20 Mar 84 PY]

DISTURBANCES, CASUALTIES IN SANTIAGO--A carabinero's police patrol car was machinegunned early this morning in Santiago, Chile, by an armed command. The official report says that a carabinero was wounded and one of the attackers killed. The incident took place shortly after the night curfew ended. The curfew was decreed the day before the protest march called for by the trade unions and the opposition was to be carried out. Another report says that 3 persons were injured and more than 10 were arrested when the carabineros used tear gas and water cannons to disperse the students that were attending the funeral of university student Caopolican Hinestroza, killed by police during last Tuesday's protest march. Meanwhile, more roadblocks have been set up in Santiago, interrupting traffic in sectors near the Superior Pedagogic Sciences Academy. In Valparaiso, university student leaders are on a hunger strike to protest the arrest of several students. [Text] [PA302330 Havana International Service in Spanish 1600 GMT 29 Mar 84]

STATE BANK PRESIDENT--President Pinochet has appointed Hernan Arce de Souza Ferreira as the new president of the Bank of the State of Chile. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 6 Apr 84 PY]

TRADE BALANCE SURPLUS--The Central Bank has disclosed that the Chilean trade balance surplus up to 15 March amounts to \$193 million. The report points out that Chilean exports up to that date amounted to \$796 million while imports \$603 million. It was also disclosed that international reserves have increased almost by \$34 million. [Summary] [Santiago Domestic Service in Spanish 2300 GMT 5 Apr 84 PY]

CSO: 3348/355

LEGAL SANCTIONS AGAINST RECEIPT OF ILLICIT GOODS REVIEWED

Havana GRANMA in Spanish 7 Feb 84 p 3

[Commentary by Dr Rene Gonzalez Mendoza: "What the Crime of Fencing Consists Of"]

[Text] The fight against crime is the duty of the whole of society. This is a necessary assumption in order to gain awareness of the need to combat vigorously the causes and circumstances that give rise to the commission of criminal acts in our society.

One of the criminal offenses defined in our Penal Code that is occasionally perpetrated by some citizens is the so-called crime of receiving illicit goods.

This criminal act does not belong to the group of crimes against the national and popular economy, but to those that work against patrimonial rights, yet at the same time it is closely related to the crime of misappropriation and the crimes against the economy, inasmuch as the persons who commit them are generally the ones who guarantee the disposal or sale of the goods resulting from a crime.

The crime of receiving illicit goods, defined and penalized in our Penal Code, is not limited to those who conceal or exchange for their own benefit the goods resulting from a criminal act--for example, robbery, theft or misappropriation--but also includes those who acquire or profit in any way from items arising from a crime.

That is, a person can commit this crime by the simple act of acquiring goods or merchandise of illicit origin, much as if he or she were aware of that circumstance or should have presumed the illegal source of the items obtained.

It is clearly evident that there is a great risk for a person to acquire from an unknown individual, let us say for example, a recorder or some other valuable item without valid papers, because this merchandise cannot be freely disposed of in the country's domestic market.

Hence the persons who acquire those goods are liable to incur a penal offense and, consequently, to be brought before the competent tribunals of the country as the possible perpetrators of the crime of receiving illicit goods.

At times, without realizing the consequences of our acts, we aid and abet a source of crime when we provide thieves and other antisocial individuals with suitable means to dispose of the goods and merchandise they have obtained as a result of a given crime, of an act against the interests of the society.

Refusing to trade or acquire goods and items from unknown persons or antisocial individuals living outside of the society is tantamount to curtailing robbery, misappropriation, theft and other crimes that harm the interests of our state and our society.

The general struggle against all sorts of crimes, infractions and antisocial behavior will continue to require an ever more sustained, forceful and tenacious effort.

Our socialist legality entails the most rigorous enforcement of the law, and our state has the institutions and the mechanisms which guarantee that all of us will observe the law, and that transgressors will answer to the competent organizations for any act that attempts against it.

8414

CSO: 3248/511

BRIEFS

SALT MINE SETS RECORD--The sack that completed the production of 200,000 tons of salt, a record extraction of that commodity attained by the salt enterprise of Guantanamo, will be taken to the salt works of the country, where the workers will proclaim their production commitments for the current year. The parting ceremony for this sack, which will constitute a symbol to promote emulation among the production centers of that commodity, will be held in the salt works of Caimanera on 6 February under the auspices of the Union of Chemical, Mining and Energy Industries. Acts will be held at the salt works of Puerto Padre, Santa Lucia, Isabela de Sagua and Bido in connection with this tour, and the final reception of the sack symbolizing the 200,000 tons of salt will take place at the Mining Union on 11 February. [Text] [Havana GRANMA in Spanish 3 Feb 84 p 3] [See JPRS-LAM-84-035, 20 Mar 84, p 3 for related item on end of salt rationing] 8414

CSO: 3248/511

RELOCATION OF SQUATTERS PART OF BROAD HOUSING PLAN

Bridgetown BARBADOS ADVOCATE in English 17 Mar 84 p 4

[Text]

ROSEAU, Dominica, Friday (CANA) — The Dominica Government is trying to reduce the island's squatter population by offering it land and promising financial aid for erection of shelters.

Two government-owned estates just outside Roseau—Stockfarm and Bath—have been earmarked for the squatters, estimated at more than 700.

Land is being sold from \$1 to \$2 (EC\$1—\$7 cents U.S.) a square foot, and the government said it's willing to provide financial assistance where necessary.

A third government estate—Castle Bruce—east of here is being sub-divided and the government has been encouraging squatters to take up the land offer.

Castle Bruce estate comprises 30-40 acres. At least 97 lots have been surveyed, 10 of them allocated.

The new housing thrust is aimed at easing a problem that worsened after hurricanes devastated the mountainous island in 1979-80.

It complements a \$6.6 million low income housing project being administered by the Agricultural, Industrial and Development (AID) Bank and a TT\$7 million (TT\$1—41 cents U.S.) scheme financed by the oil-rich twin-island republic.

Housing Minister Brian Alleyne, at a meeting attended by hundreds of squatters said that the resettlement scheme is essential "if people are to live in any kind of human conditions."

Alleyne said the new sites would be equipped with running water, roads and the other necessities.

"What we want to do is put some order where confusion now reigns and make it possible for you to improve your general settlements over the period," Alleyne told the squatters.

The majority of squatters live in three areas just outside the capital. Government officials say that in one area as many as 105 houses stand on three acres of land.

The government has warned squatters that they face the possibility of having their houses moved without compensation or notice.

Alleyne said some "disorderly, slum-type settlements" has appeared not only on public but private property.

CSO: 3298/684

SPANISH COMPANY SIGNS MINERAL EXPLORATION AGREEMENT

Santo Domingo LISTIN DIARIO in Spanish 6 Mar 84 p 3

[Article by Tulio Navarrete]

[Text] The secretary of industry and commerce announced yesterday that an agreement had been signed by the Dominican Republic and the Spanish company Hullera Vasco-Leonesa to explore and mine deposits of copper, zinc, gold and other minerals in the areas of La Vega and Santiago.

Jose Antonio Najri described the contract as one of the most important, "most far-reaching and comprehensive" contracts ever signed by the country.

He said that if the deposits in the area of El Yujo--which includes the towns of Jarabacoa and La Vega in the province of La Vega as well as San Jose de las Matas and Janico in Santiago--have a good output rate, the company that will be created will have "a maximum capital of 63 million Dominican pesos."

The official said that the formal document for the agreement will be signed in Santo Domingo on the 20th of this month and he explained that the initial phase of the agreement was recently signed in Spain by a mission headed by himself. He also said that under the terms of the agreement the Dominican state will hold 50 percent of the shares in the company which will be set up in a year's time.

Najri made this announcement at a press conference held at his office in the capital city and during which he talked about other topics of national interest.

Present at the meeting were Dr Antonio Isa Conde, undersecretary for industry and commerce, and Osvaldo Santana, the department's public relations official.

Najri said that the delegation headed by himself and formed by Bienvenido Brito, general comptroller of the republic, and Miguel Pana, director general of the mining industry, succeeded in including a clause in the contract which says that the "state will always hold, alongside with the Hullera Vasco-Leonesa company, 50 percent of the shares of the company to be created."

Also the Spanish company will invest 5 million Dominican pesos at the rate of 1 million per year and the "loan-capital ratio will require an investment of 1 million pesos to obtain 3 million pesos" in financing with government approval required for this indebtedness.

In Najri's view the contract with the Spanish company will set "a new precedent for future negotiations which could be held with other mining companies at a future date."

The official said that a further advantage of this contract is the fact that 80 percent of the personnel must be Dominican by the 5th year of operations and 95 percent by the 10th year.

The contract also contains an additional table "taxing profits in excess of 20 percent of the paid-up capital" which means that automatically "the state will bring into effect new taxes and new shareholdings."

Added to this, the districts where mining operations will take place will receive 5 percent of the revenue as is done in the case of the Rosario Dominicana company.

8796

CSO: 3248/497

CONCERN FOR LIQUIDITY FOLLOWING BANK DEPOSITS DROP

Santo Domingo LISTIN DIARIO in Spanish 9 Mar 84 pp 1, 13

[Article by Jose Romero]

[Text] Reports from banking sources indicate that, except in the case of the Reserve Bank, deposits declined by approximately \$48 million in just 1 month, a drop which banking sectors see as "dramatic" for such a short period of time.

Furthermore, according to partial figures obtained, the cash on hand and in banks seems to have dipped by \$32 million between the January and February closing periods.

The credit portfolios, however, show an increase and there were no significant changes in investments, capital and term liabilities.

According to these reports, at the closing date of January this year the cash on hand and in bank showed a balance of around \$427 million and by the end of February it had dipped to \$395 million, a drop of almost 8 percent.

Deposits declined by nearly 4 percent.

These changes are thought to be due to several factors including withdrawal of deposits for conversion into dollars as a result of higher exchange rates.

According to the same sources the situation is different if one includes the Reserve Bank but even then the results are negative and call for attention.

As pointed out, between December 1982 and February 1983 the deposits increased by almost \$12 million. By comparison, these deposits dropped by \$148 million almost 10 percent, between December 1983 and February 1984.

Which means that during the last period mentioned there was a negative growth of \$160 million affecting the liquidity of commercial banks.

Banking sources say that a report is being prepared for the monetary authorities containing elements which, in their view, show the disturbing situation with regard to the liquidity of commercial banks.

On that point, other financial sectors, such as savings and loans associations and mortgage banks, have been saying that they face similar problems as a result of inflexible interest rates.

It is reported that practically all the banks have seen their lines of credit dwindle to such an extent that to maintain their liquidity they have been forced to draw below the legal reserve level set by the Central Bank and they were penalized with fines.

The growth of the informal market, estimated to handle 75 percent of the next financial capital in circulation, is also thought to be a major contributing factor in this situation.

8796

CSO: 3248/497

BRIEFS

COFFEE EXPORT QUOTA INCREASE--According to reliable sources the quota allocated to the Dominican Republic for this year by the International Coffee Organization [ICO] is expected to bring to the country earnings of around \$80 million. It is reported that in view of the higher quota, the government is cooperating with farming agencies and private institutions to promote and supervise coffee plantations particularly in the northeast and in the Cibao area which is where most of the coffee plantations are located. For 1984 the ICO has allocated to the Dominican Republic a quota of 9,145 bags in a release of 1 million bags distributed among several producing countries. In February of this year the ICO authorized the release of 1 million additional bags of coffee into the world market during the second quarter of the current coffee campaign. It was explained that this increase raises the ICO's overall export quota for 1983-1984 to 58.2 million bags (of 60 kilos each) and that the reason for it was that the organization's 15-day average indicator prices went up beyond the 140-cent mark for a pound of coffee. Early in February that price stood at 140.01 cents after a gradual recovery from its lowest level in 1984 which was on 18 January with 137.14 cents. The ICO quota for the Dominican Republic is the second lowest after the Philippines which has a quota of 8,954 bags. The other quotas allocated are: Brazil 305,540 bags; Colombia 161,342 bags; OAMCAF [African and Malagasy Coffee Organization] 118,519 bags; Indonesia 45,093 bags; El Salvador 44,399 bags; Uganda 44,002 bags. Then there is Mexico with 36,173 bags; Guatemala, 34,389; Ethiopia 25,965; Kenya 24,578; Costa Rica 21,407; Ecuador 21,506 and Honduras 14,289. The Dominican Government estimates that the quota of 369,000 bags of 70 kilos, selling on an average at \$132 per 100 pounds of weight, could mean for the country earnings of between \$70 and \$80 million. [Text] [Santo Domingo LISTIN DIARIO in Spanish 12 Mar 84 p 1, 9] 8796

CSO: 3248/497

BRIEFS

DROP IN SPICE PRICES--St Georges, Grenada, Sunday, (CANA)--The manager of the cooperative society responsible for marketing Grenadian spices overseas, Robert Ferguson, has warned farmers against expecting good financial returns for their products this year. Addressing growers at their annual general meeting, Fergusson said that the price of spices on the world market is already low and could decline further in 1984. He cited clove and said the society is hesitant about offering the product for sale to foreign buyers because the prices might be substantially less than last year. "We are trying to get our clove accepted on the world market as a superior clove to those from other origins," Fergusson said. "So because of our quality, and if we could get that accepted on the world market, I think then we would be able to put ourselves in a better position to negotiate for better prices," he added. According to Ferguson he held discussions last week with an unnamed American on the question of launching "an aggressive advertisement campaign" for Grenadian spices. In the last financial year, Grenada exported 109 982 pounds of spices [as published] [Text] [Bridgetown BARBADOS ADVOCATE in English 26 Mar 84 p 12]

CSO: 3298/685

BURNHAM ASSESSES NATION'S FINANCIAL, ECONOMIC FLIGHT

Bridgetown BARBADOS ADVOCATE in English 16 Mar 84 p 4

[Text]

GEORGETOWN, Guyana (CANA) — If its rhetoric is anything to go by, socialist Guyana, in deep financial trouble for years now, seems determined not to reverse its leftist thrust if that's what it takes to achieve an economic turnaround.

President Forbes Burnham told a big public rally here a few weeks ago that to turn back the revolution he started when this former British colony attained its political independence 18 years ago would be too high a price to pay for financial aid.

"To alter course so as to pick up the paltry crumbs that fall from the tables of our new would-be masters is at the same time to lose, by choice, what has been gained, in tangible and intangible terms, as a result of the revolution," declared the British-trained lawyer, who turned 61 last month and marked his 20th straight year as head of the Government here.

That Guyana needs all the financial and economic help it can get is not in question.

In the words of Finance Minister Carl Greenidge, the 83 000 square mile South American republic suffered a "marked decline" in its productive sector over the last three years.

"Specifically a dramatic fall in bauxite output has served to reduce foreign exchange earnings, which in turn has led to marked reduction in the country's capacity to acquire imported inputs for its main sectors," Greenidge told Parliament in his 1984 Budget on January 30.

1983 saw the economy contract by 10.6 per cent. Earnings from the three major exports — bauxite, rice and sugar — fell below 1982 levels by 12.3 per cent. In fact total exports registered a decline.

According to government figures Guyana's public external debt at the end of September last year was US\$700 million — the equivalent of G\$2.6 billion. And Finance Minister Greenidge reported a yearend public sector fiscal deficit of G\$727 million.

The economic decline has forced Guyanese face to face with reduced health and education facilities and a much narrower choice of readily available goods and services, including food.

The Finance Ministry has been in protracted dialogue with the Washington-controlled International Monetary Fund (IMF) seeking balance of payments support, but so far to no avail.

President Burnham says its all part of a programme of economic aggression against Guyana because of its socialist stance.

"We are informed by the IMF that even if agreement were to be reached the IMF has not got, at its immediate disposal, the resources necessary to implement such an agreement," Burnham told the February 23 rally to mark Guyana's 14th anniversary as a republic.

Added to this, he said, "some Governments with whom there are agreements in principle make disbursement of their loans dependent on our signing an agreement which they know we cannot sign with the IMF."

"How kind of them," Burnham declared sarcastically, "how considerate, how generous."

This was taken as a reference to Canada which last year concluded an agreement to provide balance of payments support for Guyana, but tied it to the successful conclusion of a pact with the IMF.

"Some...advise that we change course, adjust and forswear our ideology, philosophy and our development tactic," Burnham went on.

But he wondered if this is the answer to Guyana's problems how is it that avidly pro-Washington Jamaica is also in a financial bind and experiencing difficulties securing an IMF aid package.

"It is apposite, enlightening and educative to learn that Jamaica, which has adopted the 'right course' and which has done all that the IMF has stipulated cannot get a new programme because she cannot find directly or indirectly the resources that her deficit demands."

Burnham argued that where there has been an alteration of ideological course from left to right, "the (plight of the) masses of people and the national economies are no advertisement of the courses followed."

With the nationalisation of the formerly North American and British-owned bauxite and sugar industries in the 1970s Guyanese had taken control of the "commanding heights of the economy."

Boasted Burnham: "Look at the managers and executive chairmen of the public corporations and compare them with what they looked like before. Look at the heads of Ministries."

"We who have tasted freedom and equality must all now ponder how these changes came about. Compare our society with that of any other Caricom (Caribbean Community) country without exception, or those of most developing countries and mark the difference."

Burnham also linked the United States to an alleged coup plot against his Government discovered last December in Canada.

President Burnham called the eight persons arrested — seven Guyana-born Canadian citizens and an American — miscreants and clumsy amateurs.

He said they had "established contact with the present United States Administration" and the plan was to wipe out Guyana's leftist Government and the main pro-Moscow opposition and establish "a neofacist regime for the ruthless exploitation of our people and resources for the enrichment of a few greedy bandits."

The suspects belonged to the small, little known, rightist Conservative Party of Guyana established about two years ago.

Burnham is convinced that given the will and discipline Guyana will overcome its difficulties.

He told the February rally: "Let us not be frightened by the machinations of the enemy and those of his minions. Let us remember that every revolution like ours...which seeks to establish a just social order, which has as its objectives socialism in our time, will be relentlessly and ruthlessly opposed by those who falsely believe that they were born and ordained by God to rule the lesser breed without the law..."

CSO: 3298/686

COURT REJECTS UNIONS' BID TO STAY NEW TUC AUTHORITY

Bridgetown BARBADOS ADVOCATE in English 20 Mar 84 p 3

[Text]

GEORGETOWN, Guyana, Monday (CAN) — Three trade unions which instituted legal proceedings against the umbrella Trades Union Congress (TUC), to prevent the labour grouping from concluding wage and salary agreement on behalf of workers, suffered a first round setback in court Saturday.

Their application for an interim injunction against the TUC was dismissed by Justice George Pompey.

The Congress may negotiate pay agreements with government on behalf of public sector employees under the terms of a Labour Amendment Bill passed in Parliament Friday.

The application was filed by the Clerical and Commercial Workers' Union (CCWU) and the two unions in the vital bauxite industry, the Guyana Mine Workers' Union (GMWU) and the Guyana Bauxite Supervisors' Union (GBSU).

The court was asked to declare that a decision taken at the 1982 delegates conference of the TUC that collective bargaining for wages should be the

right of individual trade unions was still subsisting and binding on the Congress.

It was also asked to declare that constitutionally, the defendants were not authorised to bargain on behalf of TUC members unless so authorised by the trade union or trade unions concerned.

The action by the three of the 21 affiliates of the TUC was directly related to the controversial Labour Amendment Bill passed by the National Assembly, which the government says "does not take away the bargaining rights of individual trade unions" as some trade unions say.

"The Bill does not take away the right of individual unions to bargain with public sector employers, as the relationship will be between the TUC and the government, and the individual public sector employer," Manpower Minister Kenneth Denny said.

Denny said just as in 1977 when the TUC bargained with the government, "there again what we are saying is, it is a type of tidy arrangement for the TUC to negotiate with the government."

CSO: 3298/686

OAXACA ARCHBISHOP DISCUSSES CHANCE OF SOCIAL UPHEAVAL IN SOUTH

Mexico City EXCELSIOR in Spanish 22, 23 Feb 84

[Part I: 22 Feb 84 pp 1-A, 14-A, 15-A]

[Text] Oaxaca, Oaxaca, 21 February--After discussing the economic crisis, the processes that have caused it, the responsibilities, individual histories and mistakes of the public authorities and the Church as an institution, the archbishop of the Archdiocese of Oaxaca, Bartolome Carrasco, remarked: "I think that the separation of Church and State is something that will benefit us in the long run..." "Perhaps without intending to, Juarez did the Church a favor."

The conversation with EXCELSIOR took place in one of the reception rooms of the Oaxaca archbishop's residence. Amid the sobriety and unpretentiousness of the furnishings, and the sound of birds flying over the mansion's small grounds, the mitred cleric underscored his assertion:

"I shall not make allegations here now, nor become involved in digressions as to whether or not it would be feasible to establish relations (between Church and State), because this is not the time to embark on that kind of consideration."

He upholds, "as I always have," the religious institution's right to engage in politics; but he claims that it must be for the common good, without becoming committed to any party.

Concerning the latter organizations, he notes that they deserve respect "as options," but reserves the right to criticize those advocating liberal capitalism, "the only goal of which is profit," or Marxism; because both are materialistic in essence.

He summarizes by saying that the evangelizing effort would be mutilated if it did not attempt to exert an influence for economic, social and political purposes. He also observed that, under the present circumstances, the priest could be the bridge for unity among different sectors.

And in assigning the responsibility of the State and the Church in a crisis situation, he remarks that they could cooperate to solve the problems. "With

each retaining its own identity, we could pool efforts to converge on the same objective," but he explains, "together, to be sure, but not in a state of upheaval."

He Demands Explanations

On his own initiative, he discusses news items in which the Mexican bishops are accused of having accepted a birth control plan from the U.S. State Department in exchange for food assistance in the form of milk, observing:

"It is very serious, distorting and aggressively unethical to say that the hierarchy as a whole accepted it; if, in fact such a plan existed, something that I would question seriously," he remarks.

He adds: "Those concerned should explain it. My question is that, in the event that it were true, to accept aid from a government which is always attempting to deepen its penetration into our nation, and, what is most serious, if the charge about birth control were to be proven, that would be like selling Christ; because unnatural methods are an attack against the foundations, against the principles of the Church."

Juarez Did the Church a Favor

Msgr Bartolome Carrasco, surrounded by large paintings depicting the illustrious officials of the Catholic Church, almost at the start of the 70-minute conversation, recalls another outstanding man, a Mexican from Oaxaca, whom all Catholic clergymen remember well. But he introduces a polemical element into his comments:

He says: "Benito Juarez, an extremely controversial figure from an objective standpoint, forced the alienation of assets, and I think that, perhaps without intending to, he did the Church a favor."

The prelate appeared for the interview armed with a large taping machine, and making two statements: "Don't say that my opinions are those of the Church as a whole, but rather the personal views of the one in charge of the archdiocese." And he also cautioned that it would not befit anyone to make notes of a yellow journalist type, containing isolated comments which distort ideas.

Having made his explanation, he describes in detail the origins of the present separation of Church and State, noting the responsibility of each with respect to the current crisis, and backs his ideas in a document that he released a week ago.

"I adopt the criticism, some of it very harsh, that has been made of the so-called spiritual conquest," he comments, giving a reminder that, "Spain, as a civil power, was associated with the Church's mission. In many respects, this was actually a subjection of the Church to the civil authority; and, although there are wonderful examples of evangelizers, there was a sort of conjugal bond between Church and State that we must investigate, so as not to view only the present, overlooking the roots of the past."

'A Division That Still Ensures'

In his pastoral letter, he cites other elements of that history, with more precision than in the conversation. He recalls that, in the conquest, the concessions [estates granted to Spanish settlers] were created, and many priests accepted the role of concession holders. Also established was that division which still exists at present, between exploiters and exploited.

"Then came the time of independence and, in making an evaluation, so to speak, of the hegemony, when the Church had a strong influence on the cultural area (although with its deviations and mixtures in some instances), it also seems regrettable to me that the institution, or some Church institutions, accumulated material goods."

In that connection, after mentioning Juarez, he explains: "I am not going to judge the morality of these actions here, nor anything else (referring to the alienation of assets); but in the end a law with warped contents was written, which put an end to the benefits."

The prelate's explanation is expanded upon; he cites other historical events and those wherein the image of the hierarchy was, he claims, also marked by certain struggles, not always for the people's benefit. But he recommends: "We must probe far more deeply into all this; because there emerged from it laws in violation of human rights which the Church hierarchy has not acknowledged; I don't mean the Church as a social phenomenon, but rather as an institution. And that is the system that we are living under now."

Nevertheless, he notes that there are many doubts which preclude making categorical judgments; and he also brings in the crisis, asking:

"To what extent have we, the Church hierarchy and the pastors, influenced this crisis, the situation in which we find ourselves?"

"I sincerely believe, and I have no qualms about admitting it, certain shortcomings that we had, and have had: a lack of biblical training, a policy regarding our members, whether ostensible or real (we are not judging, but rather recalling facts), a certain image of an alliance with the established authorities, and also with capitalism. And all this has resulted in the present state of affairs."

A Right to Engage in Politics

The economic crisis, its effects and major detriment to the inhabitants of southeastern Mexico are recurring topics in the remarks of the archbishop, who is considered by many observers to be the leader of the bishops of the southern Pacific area who have earned the description of holding the "leftist position" among the Mexican bishops.

But in his extensive comments he does not forget for a single instant his defense of what he considers a right of the Church: to engage in politics.

He explains: "The search for the common good is politics in its broadest sense, and that is the sense in which I wish to use the term." Hence, he says, showing a copy of the Pastoral Work Organizational Plan of the Mexican Bishops' Conference for 1983-85, the goal is complete evangelization, including all mankind. "In order to be consistent, and to be authentic, the announcement of the good news that we are making must necessarily have an effect on the economic, social and political areas, in addition to the religious one. That is obvious, or is it not?"

He was asked: "You claim that the Church hierarchy must help to raise up the popular organizations. Doesn't it seem to you that this is far more than spiritual assistance?"

He answered: "Yes, we base our action on the notion that I have just explained."

The comment was made: "I beg your pardon, but a long time ago it became clear that you were engaged in politics, and so the debate that you revive periodically does not seem to make much sense."

"Of course we engage in politics, but in the broadest sense."

He was asked: "Do you agree that, if it were decided to implement the Constitution with complete stringency in your case there would be a great deal of action to be taken?"

"Possibly. My very personal view in that respect is in two directions. A precise analysis would have to be made, from a legal standpoint, of Article 130 of the Constitution, in order to ascertain its legal sense completely."

"On the other hand, when you and I are talking here, you stress areas that appear political to you, and I think they are in a broader sense, but there is no coincidence between your view of politics and mine. But, even if I were to assume your perspective, if I attempted to make a precise analysis of that article, I would ask: 'Am I making public charges? Am I stirring up the people? Am I talking about a political party?'"

It was responded: "Pardon me again, but there have been specific instances in the northwestern part of the country wherein the bishops, for example the one in Hermosillo, without mentioning the name of a party, have urged the Catholic people to come out in favor of National Action. There have been a great many charges in this regard."

The prelate replied: "I am not going to judge anyone. Let each individual answer for his own actions. That is why I say that the opinions are those of each person. Mine are those of the archbishop of Oaxaca, and nothing else. Opinions or positions are very personal, such as those of Monsignor Quintero or of any other bishop in the republic."

"In this instance, I am quite familiar with his thinking. He is an extremely perspicacious, intelligent man; so I categorically question that association with National Action."

And to the question as to whether it is true that a sector of the Church is inclined toward one or more parties, Monsignor Carrasco replied emphatically;

"Of course it is untrue; we are seeking the common good, and no party concerns us." And he added:

"I insist, when I talk about politics, that I am doing so in the sense of Puebla (he recalls the CELAM [Latin American Bishops Conference] meeting in that state), in the sense of the Holy Father, who has so often stated that we are not political leaders. Partisan action is involved in that. The priest has a duty toward everyone; hence, he must be a bridge for unity. But engaging in partisan work seems completely improper to me. Furthermore, we agree not to engage in it as a necessity, not as a utilitarian convenience nor on the basis of the law."

Then Archbishop Carrasco burst forth into a description of the legislation: "The law in this respect is simply in violation of human rights, and in that case I am not obliged to obey it": however, he made a correction, saying: "I don't want to embark on that argument. I am merely explaining that, as a pastor, I cannot be in favor of any party."

With regard to the parties, on several occasions the prelate explained that he respected them as political options, although he had to criticize them openly when they were inclined only toward what is material. And yet he described them as having the possibility "of being useful basic tools for the citizens," adding the possibility, which is confirmed every day, of their being a means for manipulation.

"In saying this, I am referring to all of them. I would say that, given the lack of civic awareness and training, and even of knowledge, what is happening is something like the predicament of a shipwrecked person when he is outside the ship, and thinks that the first plank thrown to him is his salvation, although he must later suffer disillusionment. So, for lack of maturity, the temptation, the hallucination and the risk of manipulation become very strong."

On another occasion, he rejected extremes, because even though something may assume a veneer of Christianity, such as capitalism does, it does not cease to be materialistic. The same thing holds true of the other side, Marxism. And, without overlooking the responsibility of his archdiocese, he also spoke at length, submitting several studies on what he considers in southeastern Mexico to be a breeding ground for social upheaval.

[Part II: 23 Feb 84 pp 4-A, 22-A]

[Text] Oaxaca, Oaxaca, 22 February--According to the archbishop of the archdiocese of Oaxaca (one of the poorest states in the country), Bartolome Carrasco, in southeastern Mexico "there exists a breeding ground for social upheaval"; but he does not think that it will occur, because the United States would prevent it. He says that the Catholic hierarchy does trust in the good intent of the present regime to resolve the crisis, but he claims that to do so an

at least humanistic ethic is necessary, because "many are frightened by the term Christian." He claims that the Mexican bishops' plan for the next 3 years was decided on the basis of the preferential option for the poor, against those who are still inclined to favor a minority.

During the extensive conversation with this correspondent, the Church prelate cited the responsibility of all kinds of institutions, including the Catholic Church, for realizing that the actual solution to the problems will come from the people themselves. In the case of priests, he says: "We must allow ourselves to be evangelized by the poor."

The interview began with his comment on the causes and those responsible for the economic crisis, and what it has caused, particularly in the southeast, where he claims that uncertainty prevails.

JLP Was Not So Much to Blame

He claimed that the problems that we have reached did not start today. It is an entire process which erupted in 1982, when the crisis was overtly declared. It was in the time of President Lopez Portillo, but that was only the straw that broke the camel's back, he remarked slowly, pondering every word.

"It does not seem reasonable to me to cite Lopez Portillo as the sole, exclusive one to blame for the crisis, but this does not mean failing to admit that very great extremes of corruption were reached. Of course, there was a breeding ground; all that was needed was the spark to ignite the country. That was perhaps the act of the then president, in a process that had been generated."

He was asked: "What repercussions do you note in this area from what you have mentioned?"

He claimed: "Unfortunately, not for our good but for our misfortune, we are suffering from a very heavy dependence on foreign countries, and specifically on the United States, in the economic and social areas. And this also has to have an influence, necessarily, on the political and even the religious areas.

"I am not a prophet, but rather a pastor of a diocese; to predict the future is very difficult. But bearing in mind those factors of dependence, I think that a social upheaval would be very unfortunate"; and he explained:

"There are, unquestionably, outbreaks of dissatisfaction; and the civic awareness of the people is even being aroused; but I consider a major eruption, such as those in some of the Central American republics, quite unlikely, not because there is no atmosphere for it, what we would call a breeding ground, but because of that unfortunate dependence that we have on the United States. So I think that the latter would not allow that type of outburst." And he added: "The southeast has reached a greater degree of alienation for creating the breeding ground for upheaval of a social type (it exists in the word that he himself used), but I think that an eruption with national or international repercussions would be impossible, precisely because of that regrettable dependence.

"There are signs of dissatisfaction. I am also bothered by the unrest of people who even think there is no path other than violence; but they are local outbursts, I would describe them as small flames that are easily extinguished by repression as well, and by various devices already established in the system under which we are living. But I could not predict anything with major repercussions; I simply consider it unlikely."

The conversation with the reporter took place in the main reception room of the archbishop's residence. Once in awhile, one of his aides urged him to hurry, in order to keep the day's appointments. Nevertheless, the crisis, the southeast and the potential solutions monopolized much of his remarks.

"No one has magic solutions for a crisis of this kind," he stated emphatically, claiming that confusion is also being experienced.

"I believe in the good intentions of many of our officials, especially the president of the republic, who is trying to succeed; nevertheless, I also think that everything cannot be solved with good intentions, not even with good orientation or implementation of a program such as his, because it is all in an environment that needs to be cleaned up. There are no immediate solutions; that is utopian. So, over the short term we must pool our efforts, each from his own angle, to emerge from this crisis."

Then, reiterating the situation in the state and the entire southeast, he claimed that, among the new phenomena, the Indian communities and even other social strata have expressed the need for uniting and organizing to get out of this predicament. And he submitted a diagnosis of the situation being experienced by the Indians of Oaxaca, who comprise 70 percent of the state's population.

As he explained, in this document, prepared by technicians, advisers, specialized religious and the National Center for Aid to the Indian Missions, it is concluded that in Oaxaca there is still aggression, exploitation, oppression and impoverishment of the Indian communities that began at the time of the conquest.

Among other examples, it notes that, "The Indian benefits least from the implementation of the laws. And in 1982, President Lopez Portillo issued decrees giving the forest resources of a large number of communities (1.3 million hectares) to the two large lumber companies in the state. These decrees affect slightly over 200,000 Indians, who will have to work primarily for these companies."

Uranium, Another Indian Curse

It also states: "Recently uranium deposits have been discovered in the upper Mixteca area. One of the villages, Santa Catarina Tayata, has a large deposit, which the government has decided to develop. Those harmed are the peasants living on that land, as well as the woods that they own; because, owing to the danger posed by the uranium, a free surface 2 kilometers in diameter is

required. More than 400 hectares have already been affected by this work, as well as a large number of peasants who live on them and make their living from their products."

The research cites the effects of an economy that it claims is putting an end to communal property, promoting livestock raising, making the fishing sector elitist, and excluding the Indians from tourist activity except as elements of folklore; in addition to the progress in ravaging the forests so that "the Indians have been unable to enjoy their benefits."

Based on the official data, the population of Oaxaca totals 2.2 million inhabitants, 70 percent of whom are Indians: Amuzgos, Chatinos, Chinantecos, Cuicatecos, Mazatecos, Mixtecos, Mixes, Nahuas, Tacuates, Triquis and Zapotecos from three regions.

In concluding the diagnosis of the archdiocese, Bartolome Carrasco claimed that an anti-Indian policy is behind the government's programs and budgets. And in conclusion, after noting that there is in the communities a rejection of the attempt to regroup the 570 municipalities, he declared that the State of Oaxaca is continuing each day to impoverish the Indian groups and the soil of Oaxaca, which is its principal resource.

The cleric who, on several occasions, has been identified as head of a group of bishops with a leftist position in the bishopric, claimed that the responsibility of the Catholic Church is sensed more in areas such as this, and in crises such as the one being experienced by Mexico.

The Option for the Poor Is Something Ethical

He declared that being inclined toward the poor is not a matter of theology. "This is always a risk, because one cannot speak about the poor here without immediately being labeled a communist," he claimed, basing his assertion on guidance from the Vatican.

"I was very pleased to read in L'OSSERVATORE ROMANO a speech which the Holy Father addressed to a group of bishops, in which he told them that, talking about an option for the poor could be misinterpreted, because one could be placed in a leftist ideological position."

But he related this decision, made by the Mexican Bishops Conference in its Pastoral Work Organizational Plan for 1983-85, to the positions that those who govern should hold as well.

He said: "There must be a real patriotic spirit wherein we all consider ourselves brothers; wherein everything in our lives is directed by ethical principles, not merely of a humanistic type, but a Christian type. However, so that the term Christian will not frighten anyone, it should at least be of a humanistic type.

"In order to be achieved, everything that I have mentioned entails a change of mentality; because anyone who sets profit for himself as a goal or, with good

intentions, a leftist-oriented ideology, will not accomplish anything. He will be doing something completely dissociated from the preferential option for the poor."

He recalled as an example, "On the few occasions that I have had an opportunity to talk with individuals with large economic resources, I perceive in them, and I perceive it from my own experience because, after all, one has his weaknesses also, that we are trained in a consumer-oriented capitalist system, that liberal capitalism wherein only profit is considered. So, there is that mental structuring that we must definitely abandon."

2909

CSO: 3248/518

NAYARIT GOVERNOR DENIES HAVING CTM LEADERSHIP ASPIRATIONS

Mexico City EXCELSIOR in Spanish 25 Feb 84 pp 4-A, 17-A

[Article by Armando Sepulveda]

[Text] "There are many who speak of us" as a possible successor to Fidel Velazquez in the CTM [Confederation of Mexican Workers], but "I now have a post in my own body and I am devoted to it." This statement was made yesterday by Governor of Nayarit Emilio M. Gonzalez, who said that the CTM leaders are not competing for the succession "because we are not thinking of this."

He termed the reports to the effect that some government officials were interested in weakening the CTM in order in turn to strengthen other unions such as the CROM and the CROC [Revolutionary Confederation of Workers and Peasants] "unimportant rumors." And he said that the CTM has great consolidated strength which "nothing can disturb."

Emilio Gonzalez, who left one of the deputy secretary generals' posts in the CTM to take on the government of Nayarit, said that the workers organization to which he belongs "is pursuing the proper path, is objective and realistic and is in no danger."

He went on to say that "there is not the slightest likelihood that it will suffer any schism or division between the leadership and its members, due to the strength of its principles and its numerical size and its continuing defense of the workers."

The state governor said that those state governments controlled by CTM leaders (those of Nayarit and Queretaro) "represent leadership in the republic, not in any body."

In speaking of the situation in Queretaro, where the constitutional term of Rafael Camacho Guzman will end next year, Gonzalez said that the CTM will choose one of its leaders, on the basis of the political circumstances in the various bodies, who can provide unity in one of the states, and "will certainly nominate him as a candidate for the governorship," in order to maintain these two options.

"For example," he explained, "I am the governor of Nayarit, but there are states where the CTM does not have governors. This is a temporary position, but in the republic as a whole we have two gubernatorial posts."

As to whether the workers are prepared to govern the country, Emilio M. Gonzalez answered: "All Mexican citizens are prepared to work in their own posts for the good of their municipalities, their states, their country. We workers are Mexicans, and I am speaking of everyone and so I include the workers."

The governor of Nayarit, who was interviewed during the congress of his union, said that he was not aware of any attacks against the CTM, and he stated that he did not know if any official had at any time recommended that Fidel Velazquez leave the leadership of the CTM.

5157

CSO: 3248/500

STUNAM LEADER ACCUSES PSUM OF MANIPULATIVE BEHAVIOR

Mexico City PROCESO in Spanish No 382, 27 Feb 84 p 24-26

[Article by Maria Esther Ibarra]

[Text] A leader of the university workers for more than 10 years, a protagonist in the main strikes at the UNAM [National Autonomous University of Mexico], a former militant in the PCM [Mexican Communist Party], a former federal PSUM [Unified Socialist Party of Mexico] deputy, and a leader of the STUNAM [Trade Union of the National Autonomous University of Mexico], Evaristo Perez Arreola says the following:

"The Mexican left wing has had neither any loyalty toward nor respect for the trade union organizations. The PSUM wants to coopt the STUNAM, in its eagerness to win votes every 3 or 6 years. It has manipulated the university strikes and has adopted an irresponsible, dangerous and divisive policy."

He went on to state: "Pablo Gomez (secretary general of the PSUM) proposed that we divide up the STUNAM. Very simply, he said, so many union posts for you and so many for us."

Rito Teran, academic affairs secretary of the STUNAM and a leader of the university section of the PSUM, offers this rebuttal:

"The party opposes the reelection of an individual who should be replaced. It is necessary to breathe new life into the union because of the bureaucracy into which it has lapsed. But there is no intent to impose decisions on the university workers. There has always been respect for union independence."

The opposition positions of the two union representatives have emerged just prior to the coming March elections, in which the new executive committee of the Trade Union of the UNAM (STUNAM), which has a university membership of 25,000, will be chosen.

These are the main competitors for the post of secretary general of the STUNAM for the 1983-1984 term. Perez Arreola would be reelected for the third time, and he is the candidate for the Flores Magon Front. Rito Teran is the representative of the university section of the PSUM, running on the "democratic renewal" platform. Armando Quintero, representing the Democratic Forces Bloc, is a third candidate.

However, in the contest for control of the union, the battle between the Flores Magon Front and the PSUM platform stands out.

The PSUM opposes the reelection of Perez Arreola. It charges that he wants to perpetuate his control, to paralyze the union, to limit strikes and to violate party discipline.

Perez Arreola defends himself, but he attacks as well. He speaks of the subordination of the STUNAM to the PSUM, which is denied but is obvious. He denounces the efforts of the Unified Socialists of Mexico to manipulate the university workers.

In separate interviews granted to PROCESO, Perez Arreola and Teran Olguin charge each other with seeking to divide the union. They attack each other and describe irreconcilable differences which make maintenance of the unity of the union unthinkable.

Differences in the university left wing are traditional. They are no novelty in the UNAM union, nor are those between the leadership of the PSUM and the leader of the STUNAM. Basically, they have developed in connection with the conduct of the strikes and the electoral contests.

Perez Arreola has always been in the center of the conflict. There was a frontal clash in 1981, when he was reelected as secretary general for the second time. The PSUM opposed him, and in an effort which failed, it supported the candidacy of another of its members, Leonardo Olivos Cuellar. The accusations made by the PSUM against Perez Arreola were surprising. He was charged with misappropriation of funds and trade union corruption.

An equally sharp division occurred during the strike last June, which ended after 28 days with the failure of the STUNAM to win the emergency wage increase.

Since then, there has been no PSUM meeting at which the university workers have not launched a violent attack, almost verging on the physical. On Saturday, 19 February, when the university section of the party proposed that Teran Olguin be nominated, about a dozen workers withdrew from the party, the dissidents themselves reported.

Perez Arreola, whose reelection is always opposed, but who has won since 1973, is without a doubt a controversial leader. He broke away from the PRI [Institutional Revolutionary Party] union, with which he had been affiliated through the intermediary of the CNOP [National Confederation of Popular Organizations]. However, he challenged the June 1971 student movement. Later, he was the main promoter of the Mexican Communist Party, which he joined in 1974. Now he is a dissident in the PSUM, which he represented in the 52nd Legislature as a federal deputy.

Although he had some differences with Valentin Campa and Arnold Martinez Verdugo, he believes that they showed greater political maturity in connection with labor and university affairs than the present secretary general of

the PSUM, Pablo Gomez, whom he holds responsible for the division within the STUNAM, and whom he accuses of political adventurism in the democratic universities, such as those in Guerrero, Sinaloa and Puebla.

He maintains that the policy of Pablo Gomez worked against not only the STUNAM, but the party itself as well. "His conduct was oriented more toward gaining control. Therefore he proposed that we divide up the union posts. However, I opposed this, and as a counterpart, Gomez renewed his attacks against my union management, and urged the university members of the PSUM to work against my reelection."

His 10 years of trade union administration were divided between the secretariat general and his political concerns. Therefore, when he recalls the criticisms concerning his lack of party discipline, his anger rises and he retorts:

"No one in the old PC [Communist Party] or the PSUM can be unaware of the membership work I did in the UNAM. Despite this, they have always regarded me as a rebel party leader, because I conduct myself independently. That is true, because I have always defended and always will defend trade union autonomy as regards the party. And I cannot be a disciplined militant on the basis of party subjugation."

Thus "they also accuse me of limiting strikes and opposing isolated adventurist movements whereby the union is regarded as a support for bringing about socialist revolution overnight, as the PSUM wants."

Without a doubt the episode which marked the explosion of his differences with the PSUM was the June 1983 strike. Months earlier, Perez Arreola had broken with the Democratic Unity faction made up of PSUM workers to establish his own group, the Flores-Magon Front. The movement vacillated between the positions of the two forces. Unity within the union was destroyed. At the most critical moments in the conflict, the leaders of the PSUM and the STUNAM met. According to Perez Arreola, there were various occasions "when I was not even allowed to defend the positions of the workers."

He told us his version.

"First we debated over whether or not the conditions for demanding the emergency increase were present. Then we drafted a joint plan for the development of the strike. The party won on some issues. But the point of conflict was whether or not we should continue the strike. I advocated a broad withdrawal with all of the opposing unions. I maintained that the STUNAM was boxed in, and that we needed to back off.

"The PSUM," he went on to say, "insisted that we should continue the movement, even though the decision of the workers, who had voted to end it, opposed this conclusion. It insisted that the conditions existed, that it was time to set the fields afire, because the CTM [Confederation of Mexican Workers] and the Labor Congress urged it. But the PSUM does not understand that these two organizations have never launched a national strike and never will."

Within this same context, "we workers opposed what the PSUM decided over our heads. However, it went ahead, manipulating the strike. It was for this reason that we formed the Flores Magon Front, since as I was the main STUNAM leader, the party wanted a simple acceptance of what it imposed. Decisions on many matters were handed down to us in the union ready-made. I would not allow this, and clashes developed."

Rito Terran Olguin defends the PSUM.

"The workers wanted to continue the strike, but the hesitations by Perez Areolla and the Flores Magon Front were typical. The feelings of the workers were not respected, and the secretary general offered many pretexts for continuing with the movement. Thanks to his attitude, internal democracy was placed under a cloud, and deterioration occurred, creating bureaucratism which is a threat to the union."

In the view of the Democratic Renewal candidate and leader of the university section of the PSUM, some of the problems which the reelection of Perez Areolla has created are serious. They include, among others, the development of bureaucratic vices and corruption, such as the exclusions from the union ordered indiscriminately and the ossification of the organization.

Therefore, he said, it is necessary to amend the bylaws of the STUNAM to prevent his reelection. "This would be the way to breathe new life into the union, which needs the full renewal of its cadres, because he is an individual who should be replaced. There are people within the union who can oust him."

Concerning his party's intervention in the decisions of the STUNAM, Teran Olguin argues that there has been absolute respect for the union bodies. He adds that the PSUM bylaws provide for this.

"If we consult with the party concerning strikes, it is because of the right all political parties, including the PRI, have to exert influence on the union organizations. We meet with our party concerning current situations in the union. We draft a political line and we set it forth fearlessly to the workers."

Perez Areolla agrees on this point, although he differs somewhat on the relations between parties and unions. His union administration has never been averse to "consultation" with the leaders of the PCM and the PSUM. "All of my life," he says, "I have discussed strikes with the party. I have never, at any time, made a decision excluding them." Nor, he says, "am I opposed to the party or to communism. But I cannot allow the parties, the PSUM in particular, to attempt to manipulate strikes."

Is there consultation with the workers or not?

Perez Areolla defends himself. "As a militant, one must consult with the party. I have done so. But then one must do so with the workers. I have sought consultation for purposes of analysis, and not subjection, which is

what the PSUM wants now. The terms were these. I, as secretary general of the STUNAM, asked for a special party meeting for an assessment of the strike call."

This controversial and veteran leader says that he does not oppose being replaced in his post. However, he argues that the reelection problem has been neither "a personal decision nor a problem of democracy."

He explains it as follows: "Within the Mexican political system, there is no reelection, and despite this fact matters have not changed in the 50 years the PRI has governed."

In the midst of the political disputes among its leaders, the STUNAM remains divided, and very vulnerable to governmental control, or is at the very least weakened with regard to the UNAM authorities.

Perez Arreola shares this fear and believes that the PSUM will have to take the blame for the imbalance developing within the union ranks, and the loss of stability which he guarantees the university will suffer.

Rito Teran Olguin, on the contrary, insists that this situation is not likely to develop, since his platform urges the other factions to safeguard the integrity of the union and the university.

5157

CSO: 3248/500

MEXICO STATE: BACKGROUND TO DIFFICULT PRI ELECTIONS REVIEWED

Mexico City EXCELSIOR in Spanish 18 Mar 84 pp 4-A, 22-A, 26-A, 29-A

[From "Political Fronts" column by Guillermo C. Zetina]

[Text] Over the next few months, PRI [Institutional Revolutionary Party] will elect candidates for mayors of the 121 town halls in the State of Mexico, which is unquestionably the most difficult electoral process that the tricolor party will have to face this year.

The background from the two previous elections and the new ingredient of a poor performance in the mayoral post by the current mayors bodes a rather unfavorable situation for PRI. With regard to the process 6 years ago, the PRI records give a reminder:

Apaxco: "On the night before the elections, the citizens seized the ballot boxes, preventing the voting and making it necessary for ballots to be printed by themselves on blank paper, showing not the proposed candidate, but rather the one currently in office (the previous one), and with a different ticket."

Coacalco: "The president-elect was assassinated before taking office, owing to political differences."

Cocotitlan: "The president-elect was unable to take office as a result of serious political conflicts among the populace, and there was a death on election day."

Jalatlaco: "The mayor could not take office because the people repudiated him."

Jiquipilco: "Because the population was opposed since before the elections, the entire town hall had to be replaced subsequently."

Nextlalpan: "The vast majority of the people who were not in agreement with the candidate prevented him from coming to take office."

"Ocoyocac: "The vast majority of the population did not accept the candidate, even when he arrived for the elections, but he was replaced before taking office."

Tepetzotlan: "The candidate proposed and elected as municipal president could not take office, and the alternate was left in his place."

Xonacatlan: "The PPS [Popular Socialist Party] caused serious disturbances after the elections, with an attempt to steal ballot boxes, having broken open one of them, and they later seized the municipal palace. The candidate was unable to take office and the alternate was left, plus two PPS council members."

Zumpahuacan: "The entire populace prevented the elections, forcing the government (sic) and the party to accept what the people wanted."

In 1981 also, some serious incidents took place in the State of Mexico. At that time, the opposition's participation was minimal: PAN [National Action Party] participated in 22 municipalities; PPS, in 18; PARM [Authentic Party of the Mexican Revolution], in eight; PDM [Mexican Democratic Party], in five; the then PC [Communist Party], in nine; and PST [Socialist Workers Party], in six. The electoral register totaled 2,444,501 State of Mexico citizens, and the number of polling places was 3,795.

Tuititlan: "It should be noted that a group of individuals appeared at the number 5 polling place who were accused of taking away a package of ballots, for an unknown purpose; and even though PRI had nothing to do with this, in the event that it occurred, the PAN members might try to manipulate it in order to accuse us of electoral fraud."

Los Reyes-La Paz: "The only relative problem that occurred in this location was a group headed by the CCI [Independent Peasants Central Organization] leader in the municipality, Misael Barroso, who, aided by Mr Armando Medina, attempted to provoke some clashes among groups that were dissatisfied because they had not been left on the ticket; something that is impossible, because Mr Barroso has a record for two murders."

Dissident PRI Members

Ixtapaluca: "The problems which cropped up throughout the campaign consisted of the fact that a small group of dissident PRI members, led by Gerardo Velazquez Zermeno, an employee of the Secretariat of Government, Javier Chapa and others, systematically opposed the party's candidacy; because Velazquez Zermeno was trying to be the nominee at all costs."

When he failed to attain his goal, he became allied with Jose Morales Gonzalez, former municipal president, who was actually dismissed during the course of his administration, forming an independent ticket, headed by Morales Gonzalez. When this group realized that it was wrong, it went so far as to request that the party support it "from a distance," and, in addition, that concessions be made to it insofar as administrative posts and political positions on the municipal level were concerned.

Chalco: "During the selection process and in the campaign, some problems cropped up stemming from the position of Marco Antonio Tapia Sanchez, who was seeking at all costs to be the candidate backed by the party; to the extent that, without having been registered, he engaged in a campaign using the PRI logo, for which reason he was reported to the pertinent authorities."

Aculco: Here, there was a complaint of the harassment to which the PRI members were subjected by members of National Action, "an effort at pressure led by the current municipal president, resentful over the fact that he had not succeeded in imposing the person that he wanted to keep in political control of the municipality."

Apaxco: "Problems were occurring as a result of inter-union differences, because the candidate's proposal was associated with CTM [Confederation of Mexican Workers], and part of the opposition group consists of individuals who have been expelled from that confederation. Moreover, the current municipal president was also among the leaders of the opposition, concerned over imposing an individual who would conceal his handling of the municipal treasury; because, for example, it is known that he received 1,600 tons of cement from the Apaxco cement company, for an undisclosed use."

Also intervening prominently in this matter was Arturo Monroy, the first council member of the town hall, certainly for the purpose of remaining in a preponderant position in the municipality, and continuing to participate in the speculation with land being developed by the Apaxco cement companies.

In this municipality, in which the opposition did not participate (it was PRI-affiliated), several violent incidents were instigated, outstanding among which was the rally at which a lady was wounded by a bullet. The kidnapping of the PRI delegate took place there, and the local police had to rescue him from the municipal palace. On election day, an attempt was made to steal ballot boxes.

As a result, the Municipal Electoral Commission was forced to take away the ballot boxes, with the aid of the public forces, for safekeeping, to the municipality of Zumpango.

From all that has been stated previously, one thing is clear: The people of the State of Mexico are not a people who will accept impositions nor usurpers of the public authority.

2909

CSO: 3248/518

PSUM ANALYSIS OF ELECTORAL SCENE IN MEXICO STATE PRESENTED

Mexico City ASI ES in Spanish No 99, 26 Mar 84 p 5

[Text] After the avalanche of last-minute changes in the Constitution and Electoral Law of the State of Mexico, prompted by its executive body, it was decided to postpone the elections to replace town halls and the local legislature until November, and to combine them. This ends a process of repeated irregularities and violations of the legal regulations with which the electoral process had started, implementing the official party's tactical revisions for undertaking these elections.

Among these changes, the number of electoral districts is increased from 28 to 34, while the deputyships with "proportional representation" change from nine to 11. With these measures, progress has been made toward greater representation for Mexico State citizens in the legislature, as PSUM [Unified Socialist Party of Mexico] proposed in a similar initiative. But, at the same time, these changes will enable the official party to settle its serious internal conflicts resulting from the dispute over seats among its weakened organizations and to confront the opposition with new methods, dividing the former electoral districts, particularly with respect to PAN [National Action Party] which, in the case of the district of Naucalpan, had established itself as the majority electoral force. At the same time, the combining of the processes will afford a savings of funds and a concentration of forces; and it will allow PRI [Institutional Revolutionary Party] to commit only one fraud, instead of two.

Apart from these changes, the elections in this state have assumed special significance in the nation's political life as a forerunner of the 1985 federal elections, not only because of the State of Mexico's economic and social importance (9.5 million inhabitants, 60 percent of whom are located in five urban municipalities, over 9,000 industries which contribute 20 percent of the national industrial production and a general economic activity contributing 36 percent of the country's gross domestic product), but also because of the deepseated political changes that have been appearing since the 1982 and 1983 election campaigns, in which there have been unprecedented electoral defeats for PRI, added to the unexpected progress of PAN which, capitalizing largely on the people's dissatisfaction, has set itself up as a mass-scale electoral alternative.

Mexico State has not been dissociated from these changes. On the one hand, it has reduced considerably the electoral support for PRI on the part of trade union, low income and agrarian sectors which are members of the government-oriented confederations. CNC [National Peasant Confederation] is a clearcut example of the crisis in the local PRI: The conflicts that were aroused during the replacement of its agrarian committees and the severe challenge to the traditional methods of imposition prevented the holding of its Regular Congress. Something similar occurred in the case of CTM [Confederation of Mexican Workers], which has come into frequent friction with the local government, which overtly backs CTC and its plan for white trade unionism for the state.

On the other hand, the local bourgeoisie, immersed in an accelerated process of breaking off from the official party, has adopted new types of organization, such as the newly established Mexico State Industrialists Association, combining the anti-PRI sector of the local industrialists, closely linked with such business owners' agencies as CONCANACO [Confederation of National Chambers of Commerce], the local clergy and the National Action Party.

In this context mention should be made of the role of the Atlacomulco Group which, for 40 years, has controlled the powerful positions in the state, characterizing the various political successions in the state with continuity and the stability of the local political bureaucracy.

It is obvious that the PRI-government will attempt at all costs to retain the official party system, resorting, for this purpose, to all the devices within its reach, from total control of the electoral process to fraud; for which it has in the state the most developed and experienced machine in the country.

Nevertheless, Alfredo del Mazo's government is encouraging electoral bipolarization with PAN. The recent adjustments of Article 115 of the local Constitution are part of this. These reforms violate the autonomy of the municipality, making the representation of the political organizations in the municipal organs contingent on their participation in 25 percent of the state's municipalities; a measure which, de facto, excludes most of the parties, except for PAN and PSUM, and virtually opens the doors of all the municipalities to PAN (see ASI ES, No 97).

In 1981, during the local elections, the state underwent one of its most severe political processes, primarily in the municipal area. In over 20 of the 121 municipalities comprising the state, the PRI candidates were not allowed to take office, municipal committees and mayors' offices were seized, serious confrontations occurred against political bosses and, in some instances, the government was forced to accept the formation of municipal boards. Both the campaign for governor and the one for town hall and local deputies were marked by the governing group's intention to prevent penetration by the opposition parties, especially the then Mexican Communist Party.

The expectations indicate that this situation will not change during the current electoral process; on the contrary, it is part of the challenge facing PSUM in the State of Mexico. The campaign that our party must carry out will

concentrate its electoral battle on curbing the process of electoral bipolarization, the bipartisan tendencies and the conservatism that are evident in the state, and on its organizational development as a state force. The task involves putting PSUM on a new level of political confrontation and association with the mass movement.

In order to make progress in that direction, the broadest alliance and unity among the democratic and leftist forces are required. This campaign is a good opportunity for the state organizations to engage in an extensive debate that will allow for joint action.

The State Committee has proposed the establishment of a unified, Socialist, electoral front that would combine the State of Mexico's political organizations, based on serious agreements, mutual respect and a common electoral platform; without involving the social organizations as such in this process, but respecting their independence and autonomy.

The electoral alliances that PSUM makes in this process should not be short-term or incidental. They should entail agreements that will allow for constant, systematic action on all fronts and in the face of any political eventuality. It is impossible to repeat previous experiences with electoral alliances which have been broken irresponsibly in the state, in a unilateral, arbitrary manner. The agreements that are made (and not just in the electoral area) should preclude opportunistic alliances and unnecessary splits.

PRT [Revolutionary Workers Party] made a public appeal for the establishment of a "pole of workers" that would combine the state's political and social organizations in a coalition, registered with a symbol and a new name, in an exclusively electoral alliance. Our party is willing to have a real political alliance based on a common platform and on the discussion of single slates of deputies in each electoral district, with those slates participating under the registration of both organizations, guaranteeing the left's representation in the legislature and the town halls, as the beginning of a more extensive alliance.

PSUM bears a great responsibility in this process, for becoming fully engaged, critically assessing its previous congressional experience. The results will depend largely on the work and political capacity that it achieves.

2909

CSO: 3248/526

PMT HEAD IDENTIFIES MORATORIUM AS ONLY WAY TO HANDLE DEBT

Mexico City PROCESO in Spanish No 386, 26 Mar 84 pp 32, 34-35

[Heberto Castillo commentary: "Moratorium, the Only Way Out"]

[Text] Upon marking the 46th anniversary of the oil industry's expropriation, the government of the republic announced some features of what Mario Ramon Beteta, its director, termed the "New PEMEX."

There will no longer be any more administrative chaos, such as PROCESO has disclosed extensively for 6 years; natural gas will stop being burned in the atmosphere; and there will be no more trade union contracting, the original source of the corruption that has survived in PEMEX and that, on 18 March, had its top-ranking representative beside the president of the republic.

It has been forgotten that there will be no credibility in the government so long as those whom the people's voice and scores of complaints filed in the courts have identified as czars of corruption in PEMEX and other government departments are kept untouched and untouchable. But, at least the new faces in politics, almost completely unknown, have not yet given any reason to be identified as corrupt.

The figures submitted by PEMEX director Mario Ramon Beteta show that the nation is very far removed from emerging from the crisis that started in 1981. On the contrary, the statistics that have been submitted indicate the opposite.

PEMEX contributes \$16 billion, in round numbers, to the nation per year, a result of the exporting of 1.5 million barrels per day to 43 companies in 23 countries. It sells the most to the United States, Spain, Japan and France.

What happens to the money that reaches Mexico as a result of the oil? We all know that it is the cause of the trade surplus, but it does not suffice to even the balance of payments. This was announced by the government itself on 18 March, through the secretary of finance, Jesus Silva Herzog. He said that all the money that the nation will receive through PEMEX will not suffice to pay the service on the debt: \$11.2 billion in interest, and \$4.5 billion in amortization. We do not know the total amount of the foreign debt but, some months ago, it was claimed to be \$85 billion. Certain points regarding surcharges have been renegotiated, and new loans have been arranged. We must be

close to \$90 billion. Silva Herzog said that an impetus would have to be given to other exports, to devote some of the dollars to the importing of input that is essential to the country, among other types, imports of edible grains. If there are no exports, the money for purchasing those goods will have to come out of new loans: the never-ending story.

At least there are no prospects in view of a reduction in the foreign debt. At best, it would appear that the government could hope that it would be kept at the level of \$90 billion.

As usual, the government figures do not agree: In the federation's budget, an item is allocated for the debt service amounting to 4.3 billion pesos, representing about \$23 billion, if one uses an exchange rate such as the one that will exist at the beginning of July. Now it is said that we shall be paying \$15.7 billion and not \$22 billion as had been announced in the budget. No cause is known that would have brought about a reduction in the foreign debt and, consequently, the service on the debt is \$7.3 billion.

From the figures released by the PEMEX director, better times for the country cannot be anticipated either. In 1983, the company paid out 291 billion pesos for operating expenses, 348 billion for investment costs and 320 billion, no less, for interest payments. A third of PEMEX's outlays was used to pay the interest on the debt alone!

This being the case, PEMEX will be able to contribute, as Beteta said, about \$10 billion per year after all its expenses have been deducted; but it will have to continue selling 1.5 million barrels per day. When shall we finish paying the debt? With this economic policy, we can say: never!

In order to produce 2.75 million barrels per day, PEMEX had to procure loans of approximately \$22 billion (there is no exact amount, the government's reports give figures ranging from \$20 billion to \$26 billion. But PEMEX's increasing requirements brought an increase in the import requirements of the rest of industry, agriculture and livestock raising, which caused the country to need loans that raised its debt to \$85 billion or \$90 billion. It may be claimed that this debt was due not only to the policy of irresponsibly raising the volume of crude produced, with the corresponding burning of gas, but also to the corruption that has stifled the republic in recent years. It is a fact. The debt increased for that reason. But, basically, it grew for the same reasons as in the other Third World countries: the demand on our resources made by the large capitalist nations. And the truth of this is proven by the fact that, in all those countries, for many years, for every new dollar invested, \$2.00 leave in the form of profits, royalties and other items. This means that the profits must be paid to the multinationals with foreign loans. Furthermore, during the past 10 years, the profits of world capitalists have been produced by way of loans. The capitalists earn more this way than from foreign investments. The Third World nations already owe more than \$70 billion, and in 1981 they paid about \$130 billion in interest. Mexico, Brazil, Argentina, Venezuela and Chile are the most indebted Latin American countries.

Latin America owes \$350 billion; and, between Brazil and Mexico, the total is nearly \$200 billion. As has been noted, this year Mexico will pay \$16 billion or \$23 billion for the debt service, if what the finance secretary reported on 18 March or what is stated in the Federation's budget is true.

It seems obvious that the capitalist nations now only want to receive interest on their loans; that would suffice for them. With the current interest rates (11.5 percent per year, and variable), they would recover the capital in 6 and a half years. And they have spent several years collecting profiteering interest, in other words, collecting on the debt.

This happened in Mexico, in the past, with the profiteers. They were lending at interest up to 30 percent per month; and they would say "take it," but pay me the interest.

With the interest that we are paying now (accepting the lower figures given in March by the Finance Ministry), in 8 years we will have paid \$90 billion, and we shall still owe the same amount. And that is so if we do not request a single cent more in credit. Is it a sound alternative to continue in this way?

Opening the doors to foreign investment, as the government has done, is a result of the increasing economic pressure that the capitalist countries, especially the U.S., can bring to bear now, because of our debt. The cancellations of preferences for our products on the U.S. market and the special restrictions on the purchase of our steel are due to that.

Continuing to give in binds one more. There is an urgent need to join forces with the other Third World nations. It is possible to suspend payment on the debt and negotiate collectively for a reduction in the interest. A few days ago, without a word of warning, the United States Government imposed an increase of half a percentage point more in the interest on the loans granted. For the Third World, that measure represents an additional expenditure of \$3.5 billion or \$4 billion. It was reported that, for Mexico, the unilateral decision of the United States banks entails an additional expense of \$320 million.

Doing nothing but continuing the sale of oil, seeking to increase the exports of other goods to increase our foreign exchange income, means resigning ourselves to living just to pay.

It is likely that the government considers it dangerous to be the initiator of contacts with other countries to negotiate a moratorium on the payment of the debt and its interest; but there is no other course of action for surmounting the present situation. The agreement must be attempted. Sooner or later, the Third World countries will adopt this measure. The later it occurs, the worse it will be, because they will reach that decision more debilitated, and more penetrated by foreign interests. Mexico will have to adopt that measure, whether the government likes it or not. It is inevitable.

2909

CSO: 3248/526

BRIEFS

SENDERISTS KILL 18 PERSONS--A total of 18 bodies with visible signs of torture was discovered in the outskirts of the Peruvian city of Ayacucho. The victims were students, peasants, and professionals. In Lima, a policeman was killed by a group of armed men who later clashed in heavy fighting with agents of the police in the Lima district of Brena. The police authorities reported that five of the assailants were under arrest. [Text] [PA020559 Havana International Service in Spanish 1800 GMT 30 Mar 84]

CSO: 3348/356

POLICE WARN OF FOREIGN ARMS, DRUGS SMUGGLERS

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 84 p 1

[Text] The Police are in possession of solid information that foreigners, especially from Latin American countries, usually come to Trinidad by boat and tie up alongside King's Wharf, Port-of-Spain, with their illicit goods (drugs and firearms) and usually book rooms in some of the top hotels to conduct their illegal transactions there.

Police Commissioner Randolph Burroughs told this to some 30 security guards headed by Chief Security Officer Mr Basil Tobias, while addressing them during a training programme which started at the Blue Emperor Room, 6th Floor, Trinidad Hilton, yesterday morning.

He told the officers that it was important to observe and if possible, bring to the attention of the national police, information about strange persons or known criminals paying frequent visits to occupied rooms.

"You should keep in touch with management with respect to locals who rent rooms at the hotel and only occupy them occasionally, as these rooms are sometimes used for the base of operations," he told them.

He added: "Foster relationships with taxi drivers employed at the hotel for they may provide you with reliable information as to the places visited locally by foreigners--the kind of people they contact, the places visited, and conversations overheard while travelling."

Mr Burroughs told the participants that information may be procured about persons endeavouring to purchase foreign currency from tourists and taxi drivers to purchase drugs and arms.

The Police Commissioner said that all this information could be relayed to the national police and that it was important that a few members of the security service trained and detailed for plain clothes duties, as they could be very good undercover agents at the hotel.

Mr Burroughs told the participants that they must enforce the law in the manner which has been prescribed and always remember that they must not take the law into their own hands and use methods which are not sanctioned by law.

Each one of them, he said, should make it their business to purchase a copy of the Supplemental Police Act from the Government Printery as proper knowledge of the Act would guide them correctly in their day-to-day activities.

CSO: 3298/687

- END -